

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—TWENTY-NINTH PARLIAMENT

22 Elizabeth II

VOLUME III, 1973

COMPRISING THE PERIOD FROM THE NINETEENTH DAY OF MARCH, 1973,
TO THE EIGHTEENTH DAY OF APRIL, 1973, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

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

Available from Information Canada, Ottawa, Canada

26087—1½

HOUSE OF COMMONS

Monday, March 19, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

HUMAN SETTLEMENTS

ANNOUNCEMENT OF HOLDING OF UNITED NATIONS CONFERENCE AND EXPOSITION AT VANCOUVER IN JUNE, 1976

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, last June I reported that Canada had extended an invitation to the United Nations Conference on Human Environment in Stockholm to host a major United Nations Conference and Exposition on Human Settlements. This invitation was very well received by the United Nations and it has been agreed to stage the conference-exposition in Vancouver. I am pleased to report that the province of British Columbia and the city of Vancouver have agreed to accommodate and support this major world forum as host province and host city. It will be the largest international conference ever held in Canada, bringing between 4,000 and 5,000 participants from 130 countries.

Originally the General Assembly had agreed that the conference exposition should be in 1975. At the request of the United Nations, they have obtained agreement of member states to shift the date to June, 1976.

The conference-exposition will be the first United Nations meeting devoted exclusively to the subject of human settlements and human habitation. Instead of identifying problems and determining directions for future research, the point will be to present, in various forms, answers that have been found. Policies will be discussed; resolutions for action will be proposed. But, most important, will be the demonstration of solutions. Much of the action will be in the form of demonstration projects. Some of these will have a national focus; others will have regional significance; and those of more universal interest will be exhibited in Vancouver. Canadian demonstration projects will be especially important since conference participants will be able to see them, both before and after the meetings take place, at different locations across the country.

The provinces have been consulted on this matter since our initiative in Stockholm last June and we will be working in close co-operation with them in preparing for the conference and in selecting Canadian demonstration projects. I have sent letters to all the provincial premiers, inviting them to designate a minister and officials to join us in planning Canada's participation.

I am sure, Mr. Speaker, that all Canadians will enthusiastically support this major effort to confront these important issues that affect all of mankind.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I received the outline of the minister's comments just as I entered the House. I think it is very appropriate that this announcement should be made by the minister today when the Canadian Federation of Mayors and Municipalities is meeting in Ottawa. No one can disagree with the efforts of all countries of the world to face the question of proper settlement and planning for the future.

It is an excellent idea that this United Nations Conference on Human Settlements should meet in Canada, particularly in Vancouver in that setting which speaks for itself so far as the environment is concerned. Those in this House who are concerned welcome the statement by the minister that the conference is to take place in Canada. As a nation with a particularly large land mass and with particularly crowded settlements lying close to the American border, the questions of settlement, planning and population redirection are important to us as they are to all nations of the world.

I am glad that the minister has sent letters to the provincial premiers so that joint planning can take place with regard to participation in the conference. I would hope, too, that the minister might see fit to involve all the urban centres and municipalities in some of the planning for the conference. It has been the lack of their participation in the past that has so seriously limited the scope of national policies in reference to urban affairs and housing.

I hope the minister will use the coincidence of his announcement today, and the meeting of the Canadian Federation of Mayors and Municipalities in Ottawa to consider further municipal participation. I say, as I have said before, that at this stage of our development there should be a particular agenda whereby the municipalities can meet with the federal government and the provinces not as observers but as spokesmen to set out the problems they face. As I pointed out last week, only 4 per cent of wage earners in certain urban centres of Canada can afford to buy new homes, and if you take into account the whole nation the figure is an estimated 10 per cent. I hope that by the time the conference meets that figure will have improved. If it should go the other way, we will reach the point where very few wage earners in Canada will be able to afford a new home in our urban centres. I trust I have been brief enough, Mr. Speaker.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, our group welcomes the statement by the minister that the United Nations Conference and Exposition on Human Settlements will be held in the city of Vancouver in 1976. A conference of this type is long overdue. For a number of years, environmental groups, groups interested in hous-

ing and others have been pressing the government to take some action on the human settlement problems that face us in Canada. We are very fortunate to live in a nation with a tremendous amount of territory and without the excess population that some other nations have.

• (1410)

To bring the problem into focus, Mr. Speaker, I point out that, from all indications, urbanization of areas in this country and throughout the world by the year 2000, only 27 years away, will mean that approximately nine out of ten people will be living in urban centres. We have noted the increasing number of problems that have arisen in Canada and in other countries because of the urbanization that is taking place. Some of the problems facing us concern housing, urban renewal, pollution, rapid transit and the pollution problems associated with it. There is also the problem of citizen participation. I urge the minister to co-ordinate a number of research projects prior to 1976 in an effort to get as wide participation as possible by interested groups throughout Canada to make certain that the Canadian contribution to the conference will be sound and solid.

Much remains to be done. Despite a lot of lip service to a national urban policy, we have done relatively little. Problems face us in the northern part of Canada, for example, where there is talk of settlements being established. We find that we do not have the expertise nor the amount of experimentation necessary to ensure that we can build these settlements with any degree of safety. I again urge the minister that action be taken.

Our party heartily welcomes this move by the government. We not only hope that the conference will be a success but that it will also help to lead Canada and the world to a solution of the very grievous human settlement problems that now face us.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, we of the Social Credit party welcome the announcement made today by the hon. minister. We again regret only having the English version, and we trust that next time the minister will let us have the French translation in time.

The conference on urban problems will be held in Vancouver in 1976, and will bring together delegates from 130 countries. It will be an extremely important conference for Canada, and for the rest of the word.

I wholeheartedly support the statement by the hon. member for Calgary North (Mr. Woolliams) to the effect that there should be consultations throughout Canada prior to the conference, especially at the municipal level. Indeed, it is municipalities that have to deal with urban problems, and we should give municipal authorities a chance to draw up a concise program and a summary that they could submit to the conference, as well as suggested solutions to Canada's problems.

At the conference, Canada should not only suggest to other countries valid solutions to urban problems, but also report on our specific achievements as of that date.

Rather than coming to the conference with just theories, Canada should prove that she has made concrete achievements in that field, and found realistic financial solutions that other countries could adopt in solving their own urban problems.

The Canadian government has three years in which to put forward financial solutions to offer to the other countries, not just to the technical problems of urbanization and overpopulation, but also to the financial problems, such as those pointed out over the week-end at the meeting of the Federation of Mayors and Municipalities, where they deplored the fact that the federal government does not appear to have established a policy of aid to municipalities, which are for the moment the only ones to suffer the effects of the basic problems of urbanization.

* * *

[*English*]

CRIMINAL CODE

PROVISION OF WARNING ON ALCOHOLIC BEVERAGE CONTAINERS RESPECTING IMPAIRMENT OF DRIVING ABILITY

Mr. Barry Mather (Surrey-White Rock) moved for leave to introduce Bill C-162, to amend the Criminal Code (cautionary label on alcoholic beverage container).

Some hon. Members: Explain.

Mr. Mather: The purpose of this bill is to assist in combatting the ever-increasing toll of fatal motor vehicle accidents, over 50 per cent of which involve alcohol. The bill would amend the Criminal Code so as to require sellers and importers of alcoholic beverages to have on their products a cautionary label stating: "Excessive drinking impairs driving ability".

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

* * *

INTERNATIONAL LABOUR CONFERENCE CONVENTION 96 SIGNING AND IMPLEMENTATION BILL

IMPLEMENTATION OF PROVISION RESPECTING FEE-CHARGING EMPLOYMENT AGENCIES

Mr. Chas. L. Caccia (Davenport) moved for leave to introduce Bill C-163, respecting the signing and implementation of International Labour Conference Convention 96 concerning fee-charging employment agencies.

Some hon. Members: Explain.

Mr. Caccia: Mr. Speaker, this bill aims at having the federal government negotiate with the provinces to ensure their implementation of International Labour Conference Convention 96 concerning fee-charging employment agencies. The federal government would then become a signatory to that convention and the provinces would pass legislation in accordance with the intent of the convention to regulate private employment agencies and to prevent some of them from charging exorbitant fees for the placement of unemployed workers.

Some hon. Members: Hear, hear!

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

* * *

• (1420)

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

Hon. John N. Turner (Minister of Finance) moved for leave to introduce Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

LEGAL PROCEEDINGS AGAINST OWNER OF "TRAVERSE DE LÉVIS"

Question No. 21—**Mr. Lambert (Bellechasse):**

1. Has the Department of Transport initiated legal proceedings against the owner of the ship called *Traverse de Lévis* which ran aground in Montmagny Basin in the Autumn of 1972, spilling out a certain amount of oil and, if so (a) who was then the owner of the ship (b) what type of proceedings have been taken (c) was the owner held responsible for the damage caused by pollution?

2. What were the costs of depolluting and cleaning?

3. Who paid such costs, to date?

Hon. Jean Marchand (Minister of Transport): The Ministry of Transport has initiated proceedings against the owner of the *Traverse de Lévis* for discharging oil into the waters of Canada at Montmagny, P.Q. (a) The owner of the *Traverse de Lévis* at the time of the incident was Mr. Angelo Nittols. (b) Proceedings have been taken under the Oil Pollution Prevention Regulations P.C. 1971-2005 of September 1971. The case is scheduled to be heard on April 6, 1973. (c) The owner is held responsible for damage resulting from the incident and is liable for suit in the civil courts.

2. The cost of recovering and cleaning up the oil was $12,230.

3. The Ministry of Transport paid the costs of recovering and cleaning up the oil, in view of the urgency involved in the case.

Order Paper Questions

PROGRAM FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY

Question No. 35—**Mr. Reynolds:**

1. What was the total amount of money granted under the Program for the Advancement of Industrial Technology in the past two years?

2. In British Columbia (a) what was the total amount during this period (b) who received this money during this period?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The following data are for the last two complete years, i.e., 1970/71 and 1971/72 and relates to the amount of money committed. 1. $85.9 million.

2. (a) $6.2 million (b) See schedule I and II following.

Schedule I

PAIT Grants Made in British Columbia During Fiscal Year 1970/71

Company Name and City	Amount $
Canoe Cove Marina Ltd., Sidney	72,250
Cominco Ltd., Vancouver	603,000
Ferrocon Industries International Ltd., Vancouver	204,000
General Propulsion Systems Ltd., Vancouver	52,774
Glenayre Electronics Ltd., Vancouver	18,500
Hawker Siddeley Canada Ltd., Vancouver	42,500
Lenkurt Electric Co. of Canada Ltd., Burnaby	743,344
QM Machine Works Ltd., Prince George	59,800
Sun Rype Products Ltd., Kelowna	89,000
Trident Aircraft Ltd., Richmond	400,000
Viscount Video Systems Ltd., Vancouver	79,000

Schedule II

PAIT Grants Made in British Columbia During Fiscal Year 1971/72

Company Name and City	Amount $
B.C. Marine Shipbuilders Ltd., Vancouver	141,400
British Columbia Packers, Richmond	52,100
Cleanair Combustion Systems Ltd., Vancouver	48,375
Cominco Ltd., Vancouver	375,000
Cominco Ltd., Vancouver	241,900
Electric Power Equipment, Vancouver	65,000
Glenayre Electronics Ltd., Vancouver	27,500
Hawker Siddeley Canada Ltd., Vancouver	40,000
Hobrough Ltd., Vancouver	264,144
International Hydrodynamics Co. Ltd., Vancouver	71,200
Letson & Burpee Ltd., Vancouver	195,115
Lockheed Petroleum Services, New Westminster	1,573,750
MacMillan Bloedel Ltd., Vancouver	278,847
MacMillan Bloedel Ltd., Vancouver	108,800

Order Paper Questions

Company Name and City	Amount $
Spilsbury & Tindall Ltd., Vancouver	179,000
Westdrill Equipment Ltd., Richmond	65,000
Windsor Machine Co. Ltd., Burnaby	112,500

DEVELOPMENT OF MANAGEMENT COURSES PROGRAM

Question No. 177—**Mr. Rodriguez:**

1. What were the names of the recipients of grants under the Development of Management Courses Program (DMC) in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date, and what were the amounts in each case?

2. What are the objectives of the above program?

3. Has the department conducted any evaluative study of the program and, if so, what was the date of the latest report?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The Development of Management Courses program was initiated in 1972 and the contributions approved to January 4, 1973 (Fiscal Year 1972-73) are as follows: Society of Industrial Accountants of Canada, $50,000. Ontario General Contractors Association, $17,250. Mechanical Contractors Association, Ontario, $29,250. Montreal Dress and Sportswear Manufacturers' Guild, $5,000. Canadian Institute of Management, $22,000. Mechanical Contractors Association, Toronto, $21,000.

2. To encourage the improvement of management of managerial competence in Canadian industry by assisting associations to develop or revise management retraining or upgrading courses of high quality. Care is exercised that the program does not contribute to an undesirable proliferation of courses.

3. The program is under continuous evaluation and review.

BOOK PROFITS, TAXABLE INCOMES, TAXES REPORTED BY CORPORATIONS

Question No. 198—**Mr. Lewis:**

What were the book profits, taxable incomes, federal income taxes and provincial income taxes reported by corporations for 1970, distributed by the 37 industry groups, plus the nine industry groups, cross-classified by (a) asset size (i) less than $1 million (ii) $1,000,000 to $4,999,999 (iii) $5,000,000 to $9,999,999 (iv) $10,000,000 to $24,999,999 (v) $25,000,000 and over (b) control (i) foreign (ii) Canadian?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Information on the book profits, taxable incomes, federal income taxes and provincial income taxes reported by corporations for 1970 distributed by asset size and control is not, at present, available. However, it will be included in the annual report under the Corporations and Labour Unions Returns Act (Part 1, Corporations) for 1970 to be tabled in the near future.

EASTERN COAST PIPELINE LTD.

Question No. 263—**Mr. Haliburton:**

1. Has the Eastern Coast Pipeline Ltd. filed notice of intent with the National Energy Board to build a pipeline and (a) if so, is CNR a participant or shareholder in the proposed venture (b) if not, has anyone on its behalf filed notice of intent to build a pipeline with the National Energy Board?

2. Has CNR granted permission for the use of its right-of-way and, if so, on what terms?

3. Who are the principal parties involved in the venture and what form does that participation take?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the National Energy Board and the Management of Canadian National Railways as follows: 1. Yes. (a) The Canadian National is not a party to these arrangements. (b) No.

2. No.

3. Not known.

HOMICIDES

Question No. 275—**Mr. Leggatt:**

1. How many homicides were committed in 1972 with the use of rifles?

2. How many homicides occurred as a result of restricted weapons, for example, with handguns, etc.?

3. How many homicides were committed by other means?

4. How many firearms of all kinds have been sold in Canada since 1955?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Statistics Canada is concerned: Figures are not yet available for 1972. However, data are provided below for 1971. 1. In 1971 there were 100 homicides committed with rifles.

2. In 1971 there were 54 homicides committed with restricted weapons.

3. In 1971 there were 233 homicides committed by methods other than shooting.

4. Statistics Canada does not collect this information.

NATIONAL HEALTH AND WELFARE—SUPPLEMENTARY ESTIMATES

Question No. 433—**Mr. Marshall:**

What is the breakdown by province of the following items listed in the Supplementary Estimates (A) for the Department of National Health and Welfare (a) Vote 5a, Abuse of Drugs, $1,800,000 (b) Vote 35a, National Welfare Grants (New Horizons), $6,150,000 (c) Vote 45a, Fitness and Amateur Sport, $1,000,000?

Hon. Marc Lalonde (Minister of National Health and Welfare):

Supplementary Estimates "A"

Anticipated Expenditure by Province for 1972-73

Province	Vote 5a Abuse of Drugs	Vote 35a National Welfare Grants (New Horizons)	Vote 45a Fitness and Amateur Sport
Yukon Territory	$ 60,000	$ 4,305	$ 6,400
Northwest Territories	60,000		
British Columbia	275,000	722,625	222,850
Alberta	275,000	418,815	90,800
Saskatchewan	30,000	333,945	49,700
Manitoba	175,000	337,020	58,400
Ontario	370,000	2,271,810	314,900

Province	Vote 5a Abuse of Drugs	Vote 35a National Welfare Grants (New Horizons)	Vote 45a Fitness and Amateur Sport
Quebec	325,000	1,456,320	147,950
New Brunswick	40,000	193,110	31,700
Nova Scotia	50,000	255,225	45,300
Prince Edward Island	20,000	43,665	8,900
Newfoundland	120,000	113,160	23,100
	$1,800,000	$6,150,000	$1,000,000

STATISTICS CANADA—RETURN OF RESEARCHER'S DATA

Question No. 449—**Mr. Hueglin:**

1. Is Statistics Canada having its researcher's data returned (a) by post (b) by bank messenger service (c) by other means?

2. If any means other than the post is being used, for what reason?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. (a) The bulk of Statistics Canada's survey questionnaires (researchers' data) are returned via post. (b) Bank Messenger Service is used occasionally. (c) Rail Express is used for bulk shipments.

2. The Bank Messenger Service is used occasionally when it is necessary to meet survey deadlines. Rail Express is used for economical reasons, to transport bulk shipments of survey questionnaires to and from the eight regional offices across Canada. Other means such as telex, telegrams, or telephone may occasionally be used to confirm or obtain additional data, etc.

NATIONAL HEALTH AND WELFARE—RETURN OF PLASTIC MILK CONTAINERS

Question No. 621—**Mr. McKenzie:**

Does the government consider returnable three-quart plastic containers for milk as a health hazard and, if so, does it intend to enact legislation which would prevent dairies from distributing them?

Hon. Marc Lalonde (Minister of National Health and Welfare): No. When used as intended, these bottles are not considered to constitute a hazard to health. The primary concern regarding the returnable plastic containers for milk results from consumer misuse of these bottles as storage containers for gasoline, solvents and other obnoxious materials.

BUTTER AND CHEESE IMPORTS

Question No. 633—**Mr. Mazankowski:**

1. How many pounds of butter were imported into Canada during the year 1972 (a) from what countries (b) in what amounts?

2. How many pounds of cheese were imported into Canada during the year 1972 (a) from what countries (b) in what amounts?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. Butter was imported into Canada during the 1972 calendar year (a) from the following countries and (b) in the following amounts: Australia, 13,400 lbs; United States, 8,937,200 lbs; Total, 8,950,600 lbs.

2. Cheese was imported into Canada during the 1972 calendar year (a) from the following countries, and (b) in the following amounts: United Kingdom, 991,800 lbs; Ireland, 48,400 lbs; Austria, 1,718,800 lbs; Belgium-Luxemburg, 4,300 lbs; Denmark, 7,359,500 lbs; Finland, 2,457,400 lbs; France, 3,000,100 lbs; Germany West, 1,404,600 lbs; Greece, 1,504,300 lbs; Iceland, 4,900 lbs; Sweden, 450,900 lbs; Italy, 2,909,100 lbs; Netherlands, 5,276,100 lbs; Norway, 1,020,300 lbs; Portugal, 345,800 lbs; Switzerland, 4,550,400 lbs; Poland, 136,000 lbs; Australia, 111,800 lbs; Argentina, 612,400 lbs; United States, 3,603,400 lbs.

LONG BOAT MARINA, WESTERN SHORE, LUNENBURG COUNTY, NOVA SCOTIA

Question No. 652—**Mr. Crouse:**

1. What was the final amount of financial grants made available by the government toward the construction of the Long Boat Marina at Western Shore, Lunenburg County, Nova Scotia?

2. What was the basis used for establishing the amount of this grant?

3. What was the final cost of the Long Boat Inn development?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. The Department of Public Works did not give any financial grants toward the construction of the Long Boat Marina at Western Shore, Nova Scotia. Under the Marina Policy however, the Department did construct a breakwater and did all initial dredging.

2. N/A.

3. The expenditure for Department of Public Works' work was $396,438.

NATIONAL HEALTH AND WELFARE—PENSION APPEALS BOARD

Question No. 657—**Mr. Coates:**

On what date was the Pension Appeals Board established by the Department of National Health and Welfare and (a) what are the names of the members (b) what was the position of each prior to appointment (c) what is the present salary of each member (d) what is the term of the appointment in each instance?

Hon. Marc Lalonde (Minister of National Health and Welfare): The Pension Appeals Board was established by the Parliament of Canada through an act entitled the Canada Pension Plan, being Chapter 51 of the statutes of 1964-65 (now R.S.C. 1970, Chapter C-5), proclaimed in force on May 5, 1965 by SOR/65-206. (a) and (b) The Hon. Mr. Justice Alfred M. Monnin, a member of the Court of Appeal of Manitoba, Chairman. The Hon. Mr. Justice Jacques Boucher of the Superior Court of Quebec, Member. The Hon. Mr. Justice Samuel S. Bard of the Superior Court of Quebec, Member. His Honour Judge M. L. Tyrwhitt-Drake of the County Court of the County of Victoria, British Columbia, Member. All retain their appointments as judges in their respective courts. (c) In conformity with the Judges Act, they do not receive any salary as members of the Board. (d) All hold office at the Queen's pleasure.

Order Paper Questions

NATIONAL HEALTH AND WELFARE—NUMBER OF APPEALS HEARD BY PENSION APPEAL BOARD

Question No. 658—**Mr. Coates:**

1. Since its inception, what has been the total number of appeals heard by the Pension Appeals Board and what is the breakdown between favourable and unfavourable decisions to appeals placed before this Board?

2. Of the total number of appeals placed before the Board, how many were at the initiative of the applicant for pension and how many were as a result of actions taken by the Minister of National Health and Welfare?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. The Pension Appeals Board acts as a tribunal of appeal for both the Canada Pension Plan and the Quebec Pension Plan. The total number of Appeals heard (i.e. brought to a conclusion) by the Board to date is 184 of which 62 are under the CPP and 122 under the QPP.

	Total	Canada	Quebec
Favourable (to appelant)	47	24	23
Unfavourable	136	37	99

In one instance, on consent of all parties, the matter was referred back to the Minister for readjudication. Seven further appeals have been heard and are under advisement. Still others have not yet been heard.

2. Of the total number of appeals for pensions (as opposed to appeals for contributions) placed before the Board (198), 164 were at the initiative or on behalf of the applicant for pension (Canada 7, Quebec 157). The remaining 34 were launched by the Minister of National Health and Welfare.

NUMBER OF COMMERCIAL VESSELS TRAVELLING THROUGH STRAITS OF JUAN DE FUCA, 1969-1972

Question No. 664—**Mr. Munro (Esquimalt-Saanich):**

1. How many commercial vessels weighing 500 tons or over, travelled in and out of Canadian waters through the Straits of Juan de Fuca in each calendar year 1969, 1970, 1971 and 1972?

2. What was the nature of the cargoes carried by these ships?

3. Under the flag of which country or countries, did these ships carry on their trade?

4. What were the main destination of these ships?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Statistics Canada is concerned: Statistics Canada compiles data on the cargo of commercial vessels only by ports of arrival and departure. No information is collected on the routes used to travel to and from these ports and therefore the data are not available to reply to this question.

MONITORING MARITIME TRAFFIC IN CANADIAN COASTAL WATERS

Question No. 668—**Mr. Munro (Esquimalt-Saanich):**

1. Has the government taken steps to monitor and/or direct inbound and outbound maritime traffic in Canadian coastal waters and, if so, on what date were these steps taken and in what form?

[Mr. Lalonde.]

2. How long has the government been monitoring and/or directing inbound and outbound maritime traffic in Canadian coastal waters?

Hon. Jean Marchand (Minister of Transport): 1. The Ministry of Transport has taken steps in a number of locations to monitor and/or direct inbound and outbound maritime traffic in Canadian coastal waters. Marine Traffic Regulating was implemented on the St. Lawrence River in August, 1966, Marine Traffic Regulating in the Canso, N.S. area on April 1, 1972, a Navigation Information service in Halifax Harbour on April 15, 1969, a Navigation Information Service at Saint John Harbour and approaches, N.B. on July 15, 1970 and a Marine Navigation Information Service for the southern coastal waters of British Columbia on July 1, 1972.

2. The Ministry of Transport has been monitoring and/or directing maritime traffic since the introduction of the St. Lawrence Marine Traffic Control System in August, 1966.

DATA ON LOW INCOME FAMILIES

Question No. 716—**Mr. Neil (Moose Jaw):**

1. In 1972, of those living below the Statistics Canada poverty line (a) what percentage of families (i) had no male head (ii) had a chronic physical problem in the family (iii) lived in houses considered unfit by normal Canadian standards (b) what percentage of males and females (i) had less than grade 8 education (ii) were unemployed more than 10 weeks (iii) were unemployed more than 20 weeks?

2. In 1972, of those with incomes less than or equal to the poverty line, how many were (a) farm families (b) non-farm families (c) Indian and/or Métis families?

3. In 1972, what percentage of income was paid out by Canadians on welfare for (a) food (b) housing?

4. In 1972, what percentage of the incomes of those earning less than $2,000 a year went to paying federal income tax?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Statistics Canada is concerned: None of the requested information is available for 1972, data for the latest year available are quoted. 1. (a) In 1971 of all families below the low income cut-off:[1] (i) 20 per cent had no male head, (ii) data not available, (iii) data not available. (b) As family units rather than persons are classified according to their low income status the question is best answered in two parts.

Part 1. It is estimated that in 1971 of low income family heads: (i) 62 per cent of the male heads and 48 per cent of the female family heads (or 60 per cent of all low income family heads) had grade 8 education or less. (ii) 17 per cent of male heads and 6 per cent of female heads (or 15 per cent of all low income family heads) reported more than 10 weeks of unemployment for 1971. (iii) 13 per cent of male heads and 5 per cent of female heads (or 11 per cent of all low income family heads) reported 20 or more weeks of unemployment in 1971.

Part 2. And low income unattached individuals (individuals not in families, living alone without any other relatives[2] (i) 53 per cent of males and 46 per cent of females (or 49 per cent of all low income unattached individuals) had grade 8 or less education. (ii) 16 per cent of males and 6 per cent of females (or 10 per cent of all low income unattached individuals) reported more than

10 weeks of unemployment in 1971. (iii) 13 per cent of males and 4 per cent of females (or 8 per cent of all low income unattached individuals) reported more than 10 weeks of unemployment in 1971.

2. In 1971 of all low income families: (i) 18 per cent on farms but only 8 per cent could be classified as farm families on basis of their income composition.[3] (ii) 92 per cent were non-farm families.[3] (iii) no data available.

3. In 1969 families and unattached individuals with more than 50 per cent of their income coming from government transfer payments, other than OAS, GIS, family allowances and UI benefits spent:[4] (a) 34.6 per cent of their total budget on food; (b) 24.1 per cent of their total budget on shelter.

4. No data available in respect to earned income.

Notes: [1]Number of low-income families was estimated at 814,000 in 1971. A family was below the low income cut-off if its income in 1971 was below: $3,355 for families of two members; $4,026 for families of three members; $4,697 for families of four members; $5,368 for families with five or more members.

[2]Estimated number of low income unattached individuals was 651,000, i.e., unattached individuals with incomes below $2,013 in 1971.

[3]A family is considered a farm family if at least one member received more than 50 per cent of his total income in the form of net income from farming.

[4]Government transfer payments such as social assistance, veterans' pensions, war veterans' allowances, workmen's compensation, mothers' allowance, pensions for the blind and disabled.

POLLUTION CONTROL REGULATIONS

Question No. 744—**Mr. Forrestall:**

1. Is it the intention of the government to re-institute the requirement formerly contained in the Pollution Control Regulations governing the use of the Arctic area that there be a competent ice pilot or ice-trained officer on board and, if not, for what reason?

2. Does the government consider that the safety and effectiveness of any shipping in that area depends on the capability of the Master to a large degree?

Hon. Jean Marchand (Minister of Transport): 1. Section 26 of the Arctic Shipping Pollution Prevention Regulations requires, and has always required, that a qualified ice navigator be on board; (a) every tanker navigated in any zone; (b) every ship that is not a tanker, when navigated in any zone except during the normal open water period.

2. Yes.

ICEBREAKER FOR ARCTIC SERVICE

Question No. 746—**Mr. Forrestall:**

1. (a) What steps have been taken to determine the size and power of the most suitable icebreaker for Arctic service (b) what were the results?

2. What decision has been reached as to the numbers of such vessels required?

3. Is it the intention of the government to use such vessels for search and rescue functions?

4. Is it the intention of the government to provide that a charge will be levied against the rescued owner of a vessel beset in Arctic waters and, if so, on what basis will such a charge be levied?

Hon. Jean Marchand (Minister of Transport): 1. There really is no such thing as the most suitable icebreaker for Arctic service. The size and class depend on the type and duration of services to be provided. When the *Louis S. St. Laurent* was designed, it was determined that she was the best design for the over-all use required of her. The design of a particular class will depend on a combination of the zone in which it will operate and, as said previously, the type of service she will be expected to provide.

2. No decision has been reached for it will depend on the increases or decreases in numbers and types of vessels to be served.

3. All government ships are used for search and rescue operations as the situation dictates. Icebreakers are no exception.

4. The question of charges to be levied is being considered but it is in the very early stages. We do not anticipate there would be any distinction between Arctic and other ice-infested waters.

TRAINING PROGRAM FOR SEAMEN ON ARCTIC ICEBREAKER SERVICE

Question No. 747—**Mr. Forrestall:**

1. What action has the government taken toward the establishment of a training program for seamen on Arctic icebreaker service?

2. Has the government any plans for the establishment of a special institution for such a purpose and, if so (a) what are they (b) where will it be located?

3. Is it the intention of the government to ensure that no effort is spared to ensure the recruitment of Northerners, particularly Eskimos, in both officer and seaman roles for such icebreaker service?

Hon. Jean Marchand (Minister of Transport): 1. Ships' officers receive training at the Canadian Coast Guard College in North Sydney with practical experience being obtained on board the icebreakers. Unlicensed personnel receive practical experience and training during icebreaking operations.

2. A more comprehensive program for the training of unlicensed personnel is presently being considered. It is anticipated that it would probably take place at the same location as officers are presently being trained.

3. There is no restriction on the recruitment of northerners in both the officer and unlicensed roles for services on any of our icebreakers. They would be recruited into positions compatible with their experience and would be given additional training if necessary.

COAST GUARD

Question No. 748—**Mr. Forrestall:**

Is it the intention of the government to establish the Coast Guard as a distinct service, with its powers, duties and terms of reference defined by an Act of Parliament and, if so, will special efforts be made to recruit residents of Northern Canada, particularly Eskimos, for both officer and seaman roles and training?

Order Paper Questions

Hon. Jean Marchand (Minister of Transport): No, not at the present time. There is no restriction on the recruitment of northerners in both the officer and unlicensed roles.

POLAR ICEBREAKER

Question No. 750—**Mr. Forrestall:**

1. What action has been taken towards funding research into the design of a polar icebreaker with 100,000 or more horsepower, with a capability of 10 to 12-month operation in the Canadian Archipelago?

2. Does the government consider research into such a vessel in the highest Canadian interest?

3. At what date does the government estimate that the need for such a vessel would render its construction imperative?

Hon. Jean Marchand (Minister of Transport): 1. Studies have been carried out on the form that icebreaking hulls should take. Presently a contract is being let to carry out studies on gas turbines and other types of power sources for propulsion of icebreakers. We are also providing, for instrumentation, some of our icebreaker hulls to determine actual ice pressures to which they are subjected. Additional studies will be entered into as the requirement arises.

2. Yes.

3. This date would relate to some degree to the date that the natural resources are likely to be exploited in the north. It is presently estimated as being in the late seventies.

INSURANCE FOR COMMERCIAL VESSELS

Question No. 754—**Mr. Forrestall:**

What arrangements, if any, have been made by the government to ensure the availability to commercial vessels in the Arctic waters of insurance at a reasonable or acceptable rate?

Hon. Jean Marchand (Minister of Transport): The government is not involved in the insurance business for commercial vessels. It has however a great interest and has provided voyages on our icebreakers, both in the Gulf of St. Lawrence and in the north, for representatives of the underwriters to allow them to observe firsthand the services which are available to ships operating in ice. By this and other means we are endeavouring to bring about rate reductions within the insurance industry.

DEPARTMENT OF TRANSPORT—LAY-OFFS IN QUEBEC CITY

Question No. 773—**Mr. Godin:**

Are lay-offs expected at the Department of Transport in Quebec City and, if so (a) what are the reasons for such lay-offs (b) is it the intention of the government to take action to transfer such employees to other government agencies?

Hon. Jean Marchand (Minister of Transport): No.

[Mr. Forrestall.]

SOREL-BERTHIER FERRY SERVICE

Question No. 813—**Mr. Laprise:**

1. Does the government operate a ferry service between Sorel and Berthier and, if so (a) what is the frequency of the service in each direction (b) what is the fare (i) per automobile (ii) per person?

2. What were the profits or deficits for each year since 1962?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1. No.

2. N/A.

PERCENTAGE OF DISPOSABLE INCOME SPENT ON FOOD

Question No. 816—**Mr. Mather:**

What percentage of disposable income is spent on food in the yearly income categories (a) $2,400, (b) $4,800, (c) $10,000, (d) $15,000, (e) $20,000?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Food as a percentage of total family expenditure is available from the 1969 national family expenditure survey. Such percentages for families and unattached individuals can be given within selected family income range (before tax) close to the five income levels referred to in the question, and these are as follows:

Food as Percentage of Total Family Expenditure

All Families and Unattached Individuals in Private Dwellings

Canada 1969 All Urban and Rural Areas (Except Yukon and NWT).

Income Range Before Tax	Average Family Income in Range	Food Per Cent of Total Expenditure
$ 2,000- 2,999	$ 2,518	27.0
$ 4,500- 4,999	$ 4,740	23.3
$ 9,000-10,999	$ 9,893	18.3
$14,000-15,999	$14,886	15.6
$18,000-24,999	$19,502	14.1

SINKING OF TUG "BLACK FIR"

Question No. 817—**Mr. Mazankowski:**

1. On what date was the tug *Black Fir* sunk?

2. Was an enquiry held regarding the sinking and, if so, on what date?

3. What were the findings of this enquiry?

4. Were recommendations made by the board of enquiry regarding future stability tests of such tugs?

5. How many such tugs have sunk since the loss of the *Black Fir*, and how many lives have been lost?

6. Has the Department of Transport arranged an enquiry for April, 1973, resulting from the loss of a tug in February, 1972?

Hon. Jean Marchand (Minister of Transport): 1. March 9, 1963.

2. Yes. Preliminary inquiry, March 12, 1963.

3. The cause of the foundering could not be ascertained but it was conjectured that the tug sprang a leak.

4. The report contained no recommendations, nor was stability a factor in this casualty.

5. The *Black Fir* was 41 gross tons. (a) 40 tugs between 10 and 186 gross tons have sunk from all causes; (b) with the loss of 23 lives.

6. The formal inquiry into the loss of the tug *Haro Straits* ended in Vancouver, February 12, 1973. The Hon. Mr. Justice Frank Collier was Commissioner and his findings are expected shortly.

TREASURY BOARD—EMPLOYMENT OF COLIN D. MUNRO

Question No. 820—**Mr. Schellenberger:**

1. Is Mr. Colin D. Munro employed by the Treasury Board or another department or agency of the government and, if so (a) what position does he currently hold, and at what compensation (b) what was his previous employment and salary with the government?

2. Is he permitted to work less than half the year and, if so, by what arrangement?

3. How many other employees (a) in the Treasury Board (b) in the Public Service are the beneficiaries of similar arrangements as in Part 2?

4. Is it the policy of the government to encourage such part-time employment in the Public Service?

Hon. C. M. Drury (President of the Treasury Board): 1. Yes. (a) Personnel administrator; $13,400-$19,200; (b) Personnel Administrator; $14,550-$16,150.

2. No; Mr. Munro is employed on a continuing full-time basis. However, in 1972, he was granted five (5) months leave without pay, consistent with the provisions of the terms and conditions of employment applying to his occupational group.

3. (a) and (b) All federal public servants may be granted leave without pay under the discretionary authority vested in their Deputy Ministers, consistent with the provisions of applicable regulations and/or collective agreements.

4. Where particular operational requirements apply, and/or in the interests of attracting qualified personnel unavailable for full-time employment, the Public Service has undertaken programs for recruitment of part-time employees. The latest figures available from the Public Service Commission show that, for the 1971 calendar year, 5,922 persons were employed, for various periods, on a part-time i.e., reduced hours, basis. In addition, 2,773 persons were employed on a seasonal basis i.e., working a full normal schedule in connection with seasonal programs.

INFORMATION CONCERNING DEPUTY MINISTERS AND SALARIES

Question No. 826—**Mr. Gauthier (Roberval):**

How many deputy ministers are there and what are their salaries?

Right Hon. P. E. Trudeau (Prime Minister): As of February 6, there were a total of 82 individuals classified at the DM level, including Deputy Heads, Associate Deputy Ministers, and Heads and Members of certain Agencies and Commissions. As of the same date, there were 39 DM 1's (salary range $34,000-$40,000), 35 DM 2's (salary range $40,000-$45,000), and 8 DM 3's (salary range $45,000-$50,000).

RELOCATION OF INDIAN BANDS ON THE ENGLISH RIVER SYSTEM

Question No. 838—**Mr. Reid:**

Has the government any plans for the relocation of the two Indian Bands on the English River System, the Islington (Whitedog) and Grassy Narrows Bands, whose main staple food, fish, is contaminated with mercury levels substantially above accepted Canadian levels?

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Discussions have been held with the Grassy Narrows Bands. They do not wish and the Department does not intend to relocate them at this time.

FERRY SERVICE—WOOD ISLANDS, P.E.I.-CARIBOU, N.S.

Question No. 890—**Mr. MacLean:**

1. What plans are under way for the provision of a fourth vessel to handle the rapidly increasing traffic load on the Wood Islands, Prince Edward Island-Caribou, Nova Scotia route?

2. What plans are under way for the upgrading of the terminals for this service?

Hon. Jean Marchand (Minister of Transport): 1. There are no immediate plans under way for the provision of a fourth vessel for the Wood Islands-Caribou route. A 50 per cent increase in capacity has just been provided by the addition of a third vessel, the *Prince Edward*, commissioned in late 1972.

2. Upgrading of terminal facilities at Caribou, N.S., was carried out in 1972 with the construction of a terminal building and an exclusive ferry parking area, at a total cost of $550,000. There are no immediate plans for any major changes at Wood Islands, P.E.I., but consideration is being given to the possibility of adding a second berth if traffic trends seem to warrant it.

COMPLAINT RESPECTING UNLICENSED AIR CHARTER OPERATION OUT OF VANCOUVER HARBOUR

Question No. 904—**Mr. Clarke (Vancouver Quadra):**

1. Has the Air Transport Committee received a complaint from three licensed air charter companies against an unlicensed air charter service operating out of Vancouver Harbour and, if so, on what date was this complaint received?

2. Has the Department of Transport conducted an investigation into the complaint and, if so, on what date was this investigation completed?

3. Will the Minister be advising the complainants of the results of the investigation and, if so, on what date?

4. Has the Minister determined whether or not an offence has been committed?

5. What action is the Minister planning to take in order to stop this unlicensed operation?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1.

The Air Transport Committee received a complaint on December 1, 1972, from three companies licensed to operate air charters out of Vancouver Harbour against a company operating out of that point who was licensed to operate from another base.

2, 3, 4 and 5. This matter is a responsibility, under Part II of the Aeronautics Act, of the Canadian Transport Commission. The Air Transport Committee investigated the matter on December 4 and 5, 1972, and, on February 22, 1973, issued Order No. 1973-A-61 requiring the company in respect of which the complaint had been laid to cease and desist forthwith from operating in contravention of General Order 1972-3 Air, and to show cause by March 26, 1973 why its licence should not be cancelled or suspended.

GROUNDING OF "IRISH STARDUST"

Question No. 905—**Mr. Clarke (Vancouver Quadra):**

1. Did the *Irish Stardust*, which ran aground near Alert Bay, British Columbia in January, 1973 with a resulting oil spill of serious proportions, have a coastal pilot on board?

2. In what geographical areas of west coastal waters is a ship required to have a pilot on board?

3. What is the maximum size of ship that does not require a pilot?

4. Did the pilot, if any, or the skipper realize that the ship was holed after she was freed and continued upon her way to Victoria?

5. Who ordered the ship to proceed to Victoria?

6. What are the estimated clean-up costs?

7. What guarantees have been secured to recover cleanup costs and to compensate any persons who may have suffered loss or damage because of this accident?

Hon. Jean Marchand (Minister of Transport): 1. Yes. Two pilots were on board as required by the District By-law when the services of a pilot are required for a period in excess of eight consecutive hours while on passage to or from any point north of 50°N. latitude.

2. A ship is required to have a pilot aboard in all the coastal waters of the province of British Columbia.

3. All ships are subject to compulsory pilotage except ships belonging to Her Majesty; government ships except ships entrusted for operation and management to an agency of Her Majesty; ships registered in any Commonwealth country while employed in salvage operations; steamships registered in any Commonwealth country and employed in voyages between ports in the same province, or employed in any one port or harbour; ships employed in voyages between any port in the province of British Columbia, and the port of San Francisco, or any port of the United States on the Pacific, north of San Francisco, and between any port in the province of British Columbia and any port in Alaska; ships registered in any Commonwealth country and not over two hundred and fifty tons register tonnage; ships entering a harbour for refuge; ships registered in any Commonwealth country and engaged in fishing.

4. Yes. Both the pilots and the master knew the vessel was holed.

5. The master. After consultation with the vessel's agents.

6. Approximately $275,000.

7. If an agreeable settlement for the payment of clean-up costs is not forthcoming, a lien will be put on the vessel.

[Mr. Marchand (Langelier).]

LAY-OFF OF EMPLOYEES BEFORE SIGNING OF A COLLECTIVE AGREEMENT

Question No. 910—**Mr. Forrestall:**

1. Does the government lay off certain categories of personnel covered by collective agreements immediately before the signing of such agreements and, if so, for what reason?

2. Do such employees lose the benefit of retroactive payments where they were included in such collective agreements, due to the fact that they were not employed at the time of the signing of such agreements and, if so, for what reason?

Hon. C. M. Drury (President of the Treasury Board): 1. It is not the practice or the policy of the government to lay off employees immediately before the signing of a collective agreement. If lay-offs should occur they would be due to lack of work or the discontinuance of a function.

2. Any employee who was laid off during the retroactive period would be eligible to receive an upward revision in pay if he applied for the retroactive payment not later than six (6) months after the date of approval of the upward revision in remuneration.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE—COST OF ANNUAL REPORT

Question No. 939—**Mr. Andre:**

1. What was the cost of production, printing and distribution of the Report for the fiscal year ended March 31, 1972, for the Department of Industry, Trade and Commerce?

2. How many copies of the Report were distributed?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The cost of production printing, and distribution of the Report for the fiscal year ended March 31, 1972, for the Department of Industry, Trade and Commerce was $9,062.16.

2. A total of 3,000 of the 15,000 copies printed have been distributed since the publication was tabled January 22, 1973. Distribution continues at a rate of 100—150 weekly as a result of individual requests for information concerning the department. The remainder is earmarked for use at departmental sponsored seminars for industry held throughout the year.

CONVICTIONS RESULTING FROM IMPAIRED DRIVING

Question No. 949—**Mr. Stackhouse:**

1. How many individuals were convicted of "drunk driving" during 1972?

2. How many were convicted of driving while impaired during 1972?

3. How many fatalities occurred as a result of accidents on roads and highways during 1972?

4. How many were injured as a result of these accidents?

5. How many convicted for "drunk driving" were under the age of 21?

6. How many convicted for driving while impaired were under the age of 21?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Data are not yet available for 1972.

VETERANS' LAND ACT—LOANS FOR ACQUISITION OF HOMES

Question No. 959—**Mr. McKinnon:**

How much money has been advanced to veterans each year (a) in total (b) in rural areas (c) in urban areas for disabled veterans during the past ten years to purchase homes under the Veterans Land Act?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): (a) 1962-63, $25,599,191.90; 1963-64, $29,160,731.25; 1964-65, $24,783,029.57; 1965-66, $30,945,406.48; 1966-67, $52,707,883.71; 1967-68, $72,862,485.94; 1968-69, $55,486,-534.64; 1969-70, $70,534,307.82; 1970-71, $44,520,497.57; 1971-72, $41,654,388.26; 1972-73 (to 31 Dec. 72), $32,981,493.19. (b) and (c) It is not possible to provide information respecting money which has been advanced to veterans under the Veterans' Land Act in rural areas or urban areas, as records of loans are not being maintained separately for rural areas or urban areas. Records are not maintained separately for disabled veterans.

NUMBER OF FEDERAL GOVERNMENT EMPLOYEES

Question No. 979—**Mr. Reynolds:**

1. How many people were employed by the govermment in 1942, 1952, 1962 and 1972?

2. What was the total cost of running the govermment in 1942, 1952, 1962 and 1972?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Total number of Government of Canada employees as at March 31 and Expenditures for fiscal year ended March 31:

	1. Total number of employees[1]	2. Expenditure ($'000)
1972	273,537	14,840,865
1962	205,553	5,729,624
1952	131,646	3,980,909
1942	83,781	1,855,066

[1]In federal departments and departmental corporations.

REQUEST TO JOIN INTER-AMERICAN INDIAN INSTITUTE

Question No. 984—**Mr. Oberle:**

1. Has the government been requested to join the Inter-American Indian Institute and, if so (a) by whom (b) on what date?

2. If such request has been made, what action has been taken in relation to it?

3. Has any employee of the government, its agencies or Crown corporations ever attended any conference meetings or symposia sponsored by the Inter-American Indian Institute over the past six years and, if so (a) who were these persons (b) on what dates and where were such conferences held (c) what were the total costs to Canada of their participation including (i) air fares (ii) meals (iii) hotels (iv) salary costs during their period of absence?

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Yes. (a) Dr. Demetrio Sodi Morales, General Secretary of the Institute; (b) November 24, 1972.

2. A response to the request for Canada to join the Institute is under active consideration by the Government of Canada.

3. Canada sent an observer delegation to the VIIth Inter-American Indian Institute Conference: (a) Mr. W. McKim, Director, Policy, Planning and Communications Branch, Department of Indian Affairs and Northern Development; Mr. A. R. Gill, Head, Program Monitoring Evaluation Division, Department of Indian Affairs and Northern Development. (b) August 7 to 11, 1972, in Brasilia, Brazil. (c) (i) $1,634; (ii) $236.50; (iii) $429,19; (iv) $1,200.

RCMP—REQUEST FOR INFORMATION ON MEMBERS OF PARLIAMENT

Question No. 992—**Mr. Cossitt:**

Has the Royal Canadian Mounted Police been asked by any employee of the government or by a member of the government or by anyone whatsoever on behalf of the government, for information of any kind whatsoever about individuals who have served as Members of the House of Commons or of the Senate since April 20, 1968 and, if so, how many times have such requests been made?

Hon. Warren Allmand (Solicitor General): It would be extremely difficult, if not impossible, to establish the number of requests that might have been made of the R.C.M.P., by employees of the government or by members of government or by anyone whatsoever on behalf of the government, for information of any kind whatsoever about individuals who have served as Members of the House of Commons or of the Senate since April 20, 1968. It is an established practice, in police records, not to relate the inquiry, in any category of inquiries, to the occupation of the subject and, accordingly, the retrieval of information by the type of employment or occupation of the subject is virtually impossible.

EMPLOYMENT OF HON. LUCIEN CARDIN, P.C.

Question No. 1,012—**Mr. Coates:**

Is the Hon. Lucien Cardin, P.C., employed by the government and, if so (a) in what capacity (b) from what date (c) at what salary?

Right Hon. P. E. Trudeau (Prime Minister): The Hon. Lucien Cardin, P.C., is employed by the Government. The other information requested is as follows: (a) currently Assistant Chairman of the Tax Review Board; (b) in his current position, from April 27, 1972; in his previous position as Member of the Immigration Appeal Board from February 25, 1970; (c) as of February 25, 1970, within the range $20,000-$25,000; as of January 1, 1971, within the range $21,000-$26,500; as of January 1, 1972, within the range $22,000-$26,000; as of April 27, 1972, within the range $28,000-$35,000.

Order Paper Questions

PENITENTIARIES

Question No. 1,015—**Mr. Fairweather:**

1. How many penitentiaries of all categories are equipped with gymnasia, swimming pools or other facilities for physical exercise?

2. How many qualified physical education instructors are employed by the Canadian Penitentiary Service and in what institutions are they located?

Hon. Warren Allmand (Solicitor General): 1. Gymnasia: (a) Maximum Security, 12; (b) Medium Security, 11; (c) Minimum Security, nil; (d) Community Correctional Centres, nil (access to Y.M.C.A.); (e) Specialized (Prison for Women), 1. Swimming Pools: (a) Maximum Security, 1 (a small above-ground pool purchased by inmates at Archambault through their welfare fund); (b) Medium Security, nil (Community, swimming pools rented when possible); (c) Minimum Security, nil; (d) Community Correctional Centres nil; (e) Specialized (Prison for Women) nil. Other Facilities: (a) Maximum Security—All maximum institutions have fully equipped weight lifting rooms and hockey rinks. In the summertime, outdoor activities such as baseball, track and field, miniature golf and horseshoe pitching are organized. (b) Medium Security—Weight lifting rooms are provided in all medium institutions. Winter sports include the organization of hockey and broomball games. During the summer a whole range of outdoor activities are provided from track and field to baseball. (c) Minimum Security—During the winter months, hockey rinks are available and during the summer, depending on the location of the institution, activities range from baseball to swimming and fishing in near-by rivers. (d) Community Correctional Centres—These centres are located within various Canadian cities and they therefore rely entirely on community resources for recreational activities. (e) Specialized (Prison for Women)—Outdoor activities include the organization of baseball games and track and field events.

2. There are five qualified physical education instructors in the Canadian Penitentiary Service, located in the following institutions: Dorchester Penitentiary, 1; Saskatchewan Penitentiary, 1; Drumheller Institution, 3. In addition, the Penitentiary Service employs 12 Supervisors of Recreation. Three of these men are former Army Physical Training Instructors, two are former professional hockey players, two are former R.C.A.F. Recreational Specialists and the remaining five have on the job experience, have participated in community recreational programs had have attended various training courses. They are located in the following institutions: Matsqui Institution, Warkworth Institution; British Columbia Penitentiary, Cowansville Institution; Stony Mountain Institution, Archambault Institution; Reception Centre (Ontario), Leclerc Institution; Joyceville Institution, Correctional Development Centre; Collins Bay Institution, Springhill Institution. There are also 25 Recreational Officers in our institutions who have on the job experience and have attended training courses both inside and outside the institutions. They are located in the following institutions: Matsqui Institution, 1; British Columbia Penitentiary, 2; Saskatchewan Penitentiary, 2; Regional Reception Centre (Ontario), 1; Joyceville Institution, 2; Collins Bay Institution, 2; Millhaven Institution, 2; Federal Training Centre, 2; Cowansville Institution, 2; Archambault Institution, 3; Leclerc Institution, 2; Dorchester Penitentiary, 2; Springhill Institution, 2.

[Mr. Trudeau.]

PRINTING CONTRACTS AWARDED TO BUSINESSES IN NORTHUMBERLAND CONSTITUENCY, 1971

Question No. 1,034—**Mr. Lawrence:**

What persons, companies or organizations, resident or located in the County of Northumberland, in the Province of Ontario, received printing orders from the Department of Supply and Services during 1971 and (a) what were their addresses (b) what amounts were paid to each?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The records of the Department are not kept in such a manner to readily provide information about contracts awarded to business firms in counties or constituencies.

PRINTING CONTRACTS AWARDED TO BUSINESSES IN NORTHUMBERLAND CONSTITUENCY, 1972

Question No. 1,035—**Mr. Lawrence:**

What persons, companies or organizations, resident or located in the County of Northumberland, in the Province of Ontario, received printing orders from the Department of Supply and Services during 1972 and (a) what were their addresses (b) what amounts were paid to each?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The records of the Department are not kept in such a manner to readily provide information about contracts awarded to business firms in counties or constituencies.

PRINTING CONTRACTS AWARDED TO BUSINESSES IN COUNTY OF DURHAM, 1971

Question No. 1,036—**Mr. Lawrence:**

What persons, companies or organizations, resident or located in the County of Durham, in the Province of Ontario, received printing orders from the Department of Supply and Services during 1971 and (a) what were their addresses (b) what amounts were paid to each?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The records of the Department are not kept in such a manner to readily provide information about contracts awarded to business firms in counties or constituencies.

PRINTING CONTRACT AWARDED TO BUSINESSES IN DURHAM COUNTY, 1972

Question No. 1,037—**Mr. Lawrence:**

What persons, companies or organizations, resident or located in the County of Durham, in the Province of Ontario, received printing orders from the Department of Supply and Services during 1972 and (a) what were their addresses (b) what amounts were paid to each?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The records of the Department are not kept in such a manner to readily provide information about contracts awarded to business firms in counties or constituencies.

TOTAL AMOUNT OF PURCHASES AND CONTRACTS PLACED IN CANADA IN 1972

Question No. 1,040—**Mr. Mather:**

1. What, in dollars, was the total amount of Services and Supply purchases and the total number of contracts for such purchases placed in Canada in 1972?

2. (a) What, in dollars, was the total amount of such purchases placed by contract in British Columbia (b) what was the total number of such contracts placed in that Province?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The following figures relate only to the year in which contracts were placed and not to the year or years in which the work was performed or payments made. Therefore, care must be taken not to infer trends or make conclusions on the basis of performance in one year. Further, the location of a company is often that of its administrative office rather than the location where the work or service was actually performed or rendered. The figures cover only DSS contracts and do not include contracting by other government departments or agencies under delegation by DSS. The statistics for the Department are kept on a fiscal year basis. 1. Number of contracts, 193,161; Value, $793,797,000.

2. Number of contracts, 22,118; Value, $32,168,000.

CONSTRUCTION OF RETAINING WALLS BETWEEN CAP-DE-LA-MADELEINE AND CAP-SANTÉ

Question No. 1,048—**Mr. Matte:**

Have retaining walls been built on the north shore of the St. Lawrence between the Town of Cap-de-la-Madeleine and the Village of Cap-Santé since June 25, 1968 and, if so (a) where were they built (b) what was the cost (c) to whom were the contracts given?

Hon. Jean-Eudes Dubé (Minister of Public Works): Yes.

(a) Location	(b) Cost	(c) Contractor
Ste. Marthe	$47,025.00	J. R. Denoncourt, Nicolet
Champlain	70,242.70	Tessier & Trottier, Ste. Anne
Champlain	16,584.22	J. R. Denoncourt, Nicolet
Ile Val d'Or	17,410.00	Rosaire Savard & Son, St. Marc
Cap de la Madeleine	3,100.00	J. L. Jacob, Lac au Sable
Cap de la Madeleine	13,028.33	Tessier & Trottier, Ste. Anne
Champlain	1,480.00	Jacques Tessier, St. Maurice
Ile Val d'Or	3,900.00	Rosaire Savard & Sons, St. Marc
Champlain	2,800.00	Ernest Duplessis, Trois Rivieres
Champlain	73,167.18	Rosaire Savard & Sons, St. Marc
Ile Val d'Or	32,747.00	Rosaire Savard & Sons, St. Marc
Champlain	10,015.00	Rosaire Savard & Sons, St. Marc
Champlain	14,283.00	Rosaire Savard & Sons, St. Marc
Cap de la Madeleine	6,740.00	Sumital Inc., Longueuil
Champlain	8,000.00	Jacob & Bros., St. Prosper

POST OFFICE—GRAND FORKS

Question No. 1,050—**Mr. Whittaker:**

1. Did the government carry out a postal study for the City and rural areas of Grand Forks during 1972 and, if so, what do they intend to do with this study?

2. Does the government intend to build a new post office in Grand Forks and, if so (a) do they own the site on which they intend to build the post office (b) what do they plan to do with the present post office?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Post Office Department and the Department of Public Works as follows: 1. No.

2. Yes. (a) No; (b) Future use of the existing building will be determined at a later date when a decision has been reached regarding the site for the new Post Office.

LONGSHOREMEN'S STRIKE, VANCOUVER, 1972

Question No. 1,062—**Mr. Reynolds:**

1. As a result of the legislation which settled the Longshoremen Strike in Vancouver last year (1972) (a) did foremen receive any retroactive pay for the same period of time as full-time and casual help (b) what companies gave retroactive pay (i) for what period of time (ii) to how many foremen?

2. Is it the intention of the government to intervene in this dispute to eliminate a Vancouver dock strike by foremen?

Hon. John C. Munro (Minister of Labour): 1. (a) No, because the foremen are managerial employees and were not covered by the collective agreements with which the legislation was concerned. (b) We do not have information in this regard.

2. Being managerial employees, the foremen are not covered by federal labour relations and disputes legislation, but officers of the Department will be in touch with the situation.

NATIONAL PARKS—ADDITIONAL TERRITORY

Question No. 1,065—**Mr. Forrestall:**

Which national parks have had additional territory added to them subsequent to their establishment, on what dates was this accomplished and what were the amounts involved?

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Since the first National Park was established in 1887 there have been many changes to the descriptions of the various parks. At the present time there are 29 National Parks in the system. To answer this question in detail involves very extensive research at considerable public expense. If, however, a specific area is of interest the information on it would be more readily available.

NATIONAL DEFENCE—OFFICER CADETS TRAINING PROGRAM

Question No. 1,074—**Mr. Reynolds:**

1. In what language will the officer cadet course at Chilliwack, B.C., be given this summer?

2. What are the (a) linguistic (b) educational requirements for the course?

3. What is the future policy concerning the language or languages of instruction of officer cadets in the Canadian Armed Forces?

Hon. James Richardson (Minister of National Defence): 1. In both official languages, the officers' basic course will be given in either the French or English language to male officer candidates, and in English to female officer candidates. Those female candidates not qualified to follow the course in English will receive language training this summer. Action is being taken to complete a French ver-

sion of the female officers' basic course as soon as possible.

2. (a) The linguistic requirements are that the candidate speak either of the official languages; (b) the education requirements vary from junior matriculation to university degree, depending upon plan of entry.

3. Eventually, all officer cadets will be instructed in the official language of his or her choice.

RIDING MOUNTAIN NATIONAL PARK—MASTER PLAN

Question No. 1,198—**Mr. Stewart (Marquette):**

1. Has the new master plan for Riding Mountain National Park been completed and, if not, on what date will it be completed?

2. On what date will this master plan be announced to the public?

3. Will public hearings be held on this master plan and, if so (a) on what date (b) will hearings be held in Western Manitoba?

Mr. Len Marchand (Parliamentary Secretary of the Minister of Indian Affairs and Northern Development): 1. The provisional master plan is in its final draft form.

2. The plan will be announced to the public at least 60 days ahead of the public hearing.

3. Yes. (a) priorities associated with the public hearings already held and awaiting decisions make it unlikely that a public hearing for Riding Mountain National Park can be held in 1973. (b) the location of hearings has not yet been fixed.

EXPROPRIATION OF E. B. EDDY MILLS, HULL, QUEBEC

Question No. 1203—**Mr. Lambert (Bellechasse):**

Following the expropriation of the E. B. Eddy mills in Hull, has any compensation been paid as of January 31, 1973 and, if so, what was the amount and to whom was the cheque issued?

Hon. Ron Basford (Minister of State for Urban Affairs): None of the E. B. Eddy mills in Hull has been expropriated. The following payments were made to E. B. Eddy Company for the purchase of property in Hull: February 21, 1972, $1,000,000; March 30, 1972, $23,000,000; November 27, 1972, $250,000.

DEPARTMENT OF SOLICITOR GENERAL—PERSONNEL OF SECURITY PLANNING AND RESEARCH GROUP

Question No. 1,287—**Mr. Cossitt:**

What are the names of all persons employed by, on loan to or attached to, the Security Planning and Research Group of the Department of the Solicitor General and in each case (a) what are the duties performed by such individuals (b) what are their salaries for the current fiscal year, in dollars?

Hon. Warren Allmand (Solicitor General): Personnel of the Police and Security Planning and Analysis Group, as of March 1, 1973, consists of:

Name	(a) Duties	(b) Salary
J. Armit	Security Officer (Physical Security)	$15,737—$17,883
P. Banning	Chief, Security Police Section	$15,990—$18,400
R. Bourne	Head, Police and Security Planning and Analysis Group	$22,000—$28,000
L. Cloutier	Information Analyst (Internal Security)	$15,737—$17,883
W. Dabros	Chief, Information Analysis Section	$15,080—$18,020
R. Gaudet	Information Analyst (Internal Security)	$15,236—$20,557
R. Harris	Information Analyst (Internal Security)	$15,737—$17,883
L. Lagacé	Secretary	$ 6,676—$ 7,338
G. McCully	Information Analyst (Criminal/Police)	$15,990—$18,400
E. Tack	Administrative Officer	$ 9,348—$11,133
M. Valenti	Secretary	$ 6,676—$ 7,338
N. Villeneuve	Records Clerk	$ 6,707—$ 7,372
P. Wallace	Information Analyst (Internal Security)	$15,737—$17,883
G. Wilkinson	Security Officer (Personnel Security)	$15,737—$17,883

DEPARTMENT OF SOLICITOR GENERAL—DUPLICATION OF WORK

Question No. 1,288—**Mr. Cossitt:**

Does the Security Planning and Research Group in the Department of the Solicitor General in any way whatsoever duplicate work performed in any field by the Royal Canadian Mounted Police and, if so, what is the exact nature of this work?

Hon. Warren Allmand (Solicitor General): No.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—NUMBER OF TEACHERS EMPLOYED

Question No. 1,390—**Mr. Orlikow:**

1. How many teachers were employed by the Indian Affairs Branch of the Department of Indian Affairs and Northern Development in the year 1970-71?

2. Of this number, how many of the teachers were in the classification of (a) Teacher Aide or Unqualified Teacher who had no professional teacher training (b) the sub-level who had only Junior Matriculation education and one year of teacher education (c) Level 1 who had Senior Matriculation and one year of teacher education (d) Level 2 who had Senior Matriculation and two years of teacher education (e) Level 3 who had Senior Matriculation and three years of teacher education (f) Level 4 who had Senior Matriculation and four years of teacher education (g) Level 5 who had Senior Matriculation and five years of teacher education (h) Level 6 who had Senior Matriculation and six years of teacher education?

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. One thousand three hundred and seventy-two.

2. (a) 160; (b) 53; (c) 402; (d) 266; (e) 153; (f) 214; (g) 78; (h) 46.

*VALCARTIER MILITARY BASE—EXPROPRIATION OF LAND

Question No. 1,416—**Mr. Laprise:**

How many acres were expropriated since 1968 for the development of the Valcartier military base and what was the average cost per acre?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the answer to starred question No. 1416 is that no land has been expropriated since 1968 for the development of the Valcartier Military Base.

PENITENTIARIES—CORPORAL PUNISHMENT

Question No. 1,469—**Mr. Orlikow:**

1. How many times has corporal punishment been given in the year 1971 in federal institutions?

2. How many prisoners have had such corporal punishment more than once?

Hon. Warren Allmand (Solicitor General): 1. Corporal punishment as a disciplinary measure awarded by an Institutional Disciplinary Board has not been administered on any occasion during 1971. Such punishment has been abolished by Order-in-Council, number P.C. 1972-2327, dated September 21, 1972. Corporal punishment as a sentence awarded by a Court of Law has not been administered on any occasion during 1971. It has been abolished by the Amendment to the Criminal Code, Chapter 13, Section 59, given Royal Assent on June 15, 1972.

2. Nil.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

STATISTICS CANADA—PUBLICITY EXPENDITURES

Question No. 81—**Mr. Nystrom:**

1. What were the amounts of money spent by Statistics Canada on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

2. What were the names and addresses of firms or individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

GRANTS UNDER PROGRAM OF THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY

Question No. 158—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the Program of the Advancement of Industrial Technology (PAIT) in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date and, in each case, what were the amounts of money committed and paid?

2. What are the objectives of the program?

3. Has the department conducted any evaluative study of the program and, if so, what was the date of the latest report?

Return tabled.

PURCHASES OF OFFICE EQUIPMENT

Question No. 183—**Mr. Harding:**

1. How many pieces of the following office equipment were purchased, by each department and agency in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date and what were the costs for (a) typewriters (b) dictaphones (c) tape recorders (d) adding machines (e) calculating machines?

2. What is the total stock of this equipment in each department and agency for each of the five categories in part 1?

Return tabled.

Orders for Returns

PUBLIC WORKS—PROJECTS CARRIED OUT IN HUMBER-ST. GEORGE'S-ST. BARBE CONSTITUENCY

Question No. 812—**Mr. Marshall:**

What projects were carried out by the Department of Public Works in the constituency of Humber-St. George's-St. Barbe in each year 1968 to 1972 and what were the costs involved?

Return tabled.

RECORD OF BIRTHS AND DEATHS IN PRAIRIE PROVINCES SINCE 1945

Question No. 855—**Mr. Korchinski:**

1. How many (a) births (b) deaths were recorded in each of the three prairie provinces since 1945?

2. What was the population in each province in each year since 1945?

Return tabled.

INFRACTIONS OF THE COMBINES INVESTIGATION ACT

Question No. 871—**Mr. Orlikow:**

In the past year, have any persons or corporations been fined for infractions of the Combines Investigation Act or Section 411 or 412 of the Criminal Code and, if so (a) what are the names of the persons or corporations so fined (b) what was the amount of the fine in each case (c) on what date was the fine imposed (d) what infractions occasioned the fine?

Return tabled.

DELINQUENT LOANS UNDER EXPORT DEVELOPMENT ACT

Question No. 895—**Mr. Stevens:**

1. What loans had delinquent instalments of 30 days or more as at January 31, 1973, in Section 29 financing of the Export Development Act, and for each loan what is (a) the name and country of the obligator (b) the Canadian exporter benefiting from the loan (c) the date of the loan (d) the original principal amount (e) the interest rate (f) the oldest past due instalment (g) the total outstanding principal and delinquent instalments (showing principal, interest and total of such delinquent instalments)?

2. Has the Export Development Corporation refinanced or reloaned any Section 29 loans and, if so, what was the reason for such refinancing or relending?

Return tabled.

[*Editor's note: During the announcement of order paper questions to be answered.*]

Mr. Stackhouse: Mr. Speaker, I rise on a question of privilege to ask when I may expect from the parliamentary secretary answers to some of the questions I have put on the order paper. Many of them are very straightforward, requiring simple, factual information. I am particularly interested in getting answers to questions Nos. 853 and 841 which deal with related matters. At the speed we are going at the moment, which is about that of a glacier going backward, most of the questions will not be answered until mid-summer.

Mr. Speaker: Perhaps we might wait until we have reached the end of this order of business as other questions may be answered later. There is, of course, no way

of knowing that, but the parliamentary secretary might be allowed to proceed at this point.

[*Editor's note: Following order paper questions.*]

Mr. Diefenbaker: Mr. Speaker, I dislike having to rise again concerning questions that are not being answered, but it seems obvious there is a concerted effort not to answer questions that may prove embarrassing to the government. One of the reasons so many questions are being asked during the oral question period is the fact that it is almost impossible to get answers to order paper questions when the government finds it advantageous to conceal.

I refer to question No. 52, a very simple question. It asks what is the amount, since July, 1971, by province, that has been expended by all departments of government in grants or other assistance to corporations, partnerships, and so on. There can be no excuse for not answering that question which has been on the order paper now for two and a half months.

I would also refer to questions Nos. 1,004 and 1,080 having to do with my own province. They concern the removal of a government department from the London building to another building after the expenditure of more than $1 million to put the London building in shape. The first of these questions has been on the order paper since February 16. It is very simple. It asks whether the federal income tax office in Saskatoon is being moved. There is just no excuse whatever for the egregious contempt being shown to parliament by the degree to which this government refuses to answer very simple questions.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Unless we are able to secure some assurance from the government that it is either negligent in securing information available to it or that it has some other reason, we can only conclude that the idea behind not answering is concealment of facts that the government realizes would not be advantageous to it to reveal.

Mr. MacEachen: Mr. Speaker, on the point of order raised by the right hon. member for Prince Albert (Mr. Diefenbaker), I should like to draw his attention to the fact that the question about which he has complained, No. 52, requires a very extensive search involving many departments of the government. It would seem to me that merely looking at the question would be ample indication to any hon. member that to answer it accurately and deal with its many aspects would require more than a day or two.

Mr. Diefenbaker: But two and a half months?

Mr. MacEachen: I assure the right hon. gentleman that, while we appreciate his regular interventions on these occasions condemning the government, we are making a very serious effort to answer questions as rapidly as possible.

There are on the order paper at present more questions than have ever appeared on any order paper, and there have been more answers given up to the present time during this session than at the same point in any other previous session of the House of Commons, including that period when the right hon. gentleman was Prime Minister of Canada.

Some hon. Members: Hear, hear!

Mr. McEachen: The hon. gentleman ought to refresh his memory about recent history. He ought to compare the performance of the present time because it is a very good performance. I should like to see it better, but it is reasonably good.

• (1430)

I would draw to the attention of Your Honour and hon. members that it is possible to abuse the practice of placing questions on the order paper. I do not accuse my right hon. friend of that. However, I wish to draw to the attention of the House the fact that over the weekend one hon. member placed on the order paper 98 questions. Surely that is not in accordance with the intent or purpose of questions on the order paper. If hon. members want to abuse the practice by loading up the order paper with a multitude of questions, we will be confronted with legitimate grievances as presented by the right hon. gentleman. I suggest, if we are to use the order paper properly, that the number of questions should be reduced, and we will do our level best to get answers for hon. members.

I will make another effort to see that the request of the right hon. gentleman is met as quickly as possible.

Mr. Diefenbaker: Mr. Speaker, having regard to the interest the hon. gentleman is taking in the period during which I was Prime Minister regarding questions, the smokescreen he has raised pleases himself and those surrounding him. The total number of questions I have on the order paper is nine. How transparently deceptive his remarks are. He is a good debater and he makes the best of a bad case. Question 1,004 reads as follows:

1. Is the federal Income Tax Office in Saskatoon being moved from the federally-owned London building to the Canadian Imperial Bank of Commerce building?

2. What has been the cost of operating the London building during each of the past five years?

3. Under the lease of the said bank building (a) what is the annual rental and for how long (b) is there a further rental period provided at the option of the lessee?

That question has been on the order paper since February 16. The hon. gentleman's attempt to explain the unexplainable is answered by the fact that that question under no circumstances comes within the ambit of the imaginary hypothesis he has advanced.

Mr. Cossitt: Mr. Speaker, I also rise on the point of order. I can only echo the remarks of the right hon. member for Prince Albert. I should like to refer to four specific questions. I admit it is often difficult to follow the smokescreens cast by the government House leader. I believe there are more questions on the order paper for the very good reason that there are so many things wrong that need inquiring into. The four questions I should like to refer to are as follows: Nos. 443 and 444, which require simple yes or no answers, have been on the order paper for a little over two months. Question No. 819 concerns the new income tax forms, the cost of advertising and the fee paid to that great outstanding tax expert, Mr. Davis. I do

not see why that should take hours of research. I would think it could be replied to quickly. Then there is one final question, No. 990, concerning the imitation letters from the Prime Minister mailed during the election campaign. I would think that information could also be available in a hurry.

Mr. Reilly: Mr. Speaker, on the same point of order, I think it lies ill in the mouth of the government House leader to berate members on this side of the House for asking questions, particularly a House leader of a government that tries so manfully to conceal so many things. Of the many hundreds of questions on the order paper, one stands in my name. It could be answered if one of the multiplicity of ministers and their satellites and secretary's secretaries would pick up the phone and call the Canadian Radio-Television Commission. I suggest to the House leader and his accomplices over there that they would do well, instead of complaining about all the questions from this side of the House, to attempt to answer some.

Mr. Speaker: Oral question period. The Leader of the Opposition.

Mr. Hees: Let us get an answer to this one right off the bat.

ORAL QUESTION PERIOD

INCOME TAX

ALLEGED ISSUANCE OF INCORRECT TP4U SLIPS BY UNEMPLOYMENT INSURANCE COMMISSION AND INABILITY TO DELIVER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration with regard to some 2,000 employees about whom I questioned him last week in connection with the Delorimier office of the Unemployment Insurance Commission in Montreal. Can he give the House a firm assurance that there is no discrepancy with regard to those 2,000 cases, or most of them, between the TP4U forms sent out from Ottawa and the records of the Delorimier office with regard to benefits paid and income tax deducted?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as I indicated to the Leader of the Opposition the other day, my information was that errors that were discovered early in the year had been corrected before the TP4U slips had been sent out, and that information has been confirmed to me. In light of the press reports that came forward today and over the weekend I have asked for a second investigation of that situation. I would say that none of the people who alleged there were errors made have yet been identified. I understand there is an allegation that there is to be a meeting on Wednesday next about this matter, and I would certainly appreciate it if any of those people who have concrete or specific information which might be to the contrary would let me know so that we can take measures to correct the situation. As it stands now, my information is that any errors that were made earlier were corrected before the slips went out.

Mr. Stanfield: Arising from the minister's statement that microfilm records standing behind these cases are kept in the regional offices, can the minister give the House assurance that there are microfilm records with regard to these cases available in Ottawa or in the Montreal office?

Mr. Andras: Mr. Speaker, that information I gave the hon. member the other day stands. As I say, unless there is specific new information as a result of next Wednesday's meeting or the investigation I have caused to be undertaken, I would stand with that answer.

Mr. Stanfield: Mr. Speaker, I should like to ask the minister whether it is correct that there are 100,000 instances in which TP4U forms cannot be delivered with regard to benefits paid or tax deducted because the commission has no address for the recipients where the forms can be delivered? If this is the case, is there any way in which the minister or the commission intends to help these people to be able to complete their income tax forms correctly or to assist them in claiming rebates where these are due?

Mr. Andras: Mr. Speaker, no such situation involving those numbers has been brought to my attention. I will investigate and let the hon. gentleman know.

* * *

UNEMPLOYMENT INSURANCE

BENEFIT CONTROL—APPEALS ALLOWED—INVESTIGATIVE PROCEDURES—INQUIRY AS TO RECOMMENDATIONS OF ADVISORY COMMITTEE

Mr. Lincoln M. Alexander (Hamilton West): I have a question for the Minister of Manpower and Immigration, Mr. Speaker. I wonder whether in fact the minister can inform the House if the advisory committee, which is inquiring into the investigative procedures, has looked into the specific matter that has been brought up by the Leader of the Opposition? Further, in light of the fact that over 50 per cent of the appeals that have been heard have been allowed, and in light of the fact that the committee has been out for a week and was supposed to report today, has the minister any information as to the report? Has it been submitted and are there any recommendations in this respect?

• (1440)

Hon. Robert K. Andras (Minister of Manpower and Immigration): There are two or three sections to that question. During January and February in Hamilton there were 351 appeals to the board of referees, and of those 39 were allowed. During January and February in Toronto there were 964 appeals to the board of referrees, and of those 121 were allowed. Thus, the total during January and February in the Toronto-Hamilton area was

1,315 appeals to the board of referees, and of those 160 or 12 per cent of the appeals were allowed. This is similar to the experience of the past few years. These figures include all appeals regardless of their reasons. I would say that the figure of 2,000 which appeared in the newspaper the other day, with 1,000 supposedly successful in the Toronto-Hamilton area, may include reinstatements of non-eligibility decisions where people did begin to search for work. I do not know, but unless they went through the appeal system those are not considered to be appeals.

Mr. Alexander: Perhaps I should not have phrased my question in three parts. Is that the report of the advisory committee that the minister has given, or does he intend to bring in their report for tabling so we may know what their investigations have revealed and whether in fact there were any recommendations in that regard?

Mr. Andras: Those figures are not based on the advisory committee's report, but I will be getting a report from the advisory committee shortly. I cannot give the precise day or date, although I have been in touch with the chairman and the committee seems to be proceeding satisfactorily.

Mr. Alexander: I have one last supplementary question.

Mr. Speaker: Order, please. The hon. member will be recognized for a further supplementary question but perhaps we should try to get on with other supplementary questions.

BENEFIT CONTROL—ALLEGED STATEMENT BY REFEREES INDICATING WITCH HUNT—REQUEST FOR INVESTIGATION

Mr. Lincoln M. Alexander (Hamilton West): I wonder if the minister is aware of the fact that three referees in the Toronto area, I believe, by the name of Murray Tate, William Baker and Henry Weisbach have indicated that there is evidence to the effect that there is in fact a witch hunt being proceeded with which is, in their words and as reported, "terrifying innocent people". Is the minister aware of this particular set of circumstances and has he investigated or will he cause the advisory committee, if it is not ready to submit a report, to investigate the allegation of these three persons in order that its findings can be included in that report?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I would be most certainly willing to do that if the three gentlemen in question or any member of any other citizen in this country would give me specific information with date, place, time and names. Allegations and innuendoes make it almost impossible for me to carry on an investigation, but the members of the advisory committee were asked to do exactly what the hon. member is suggesting.

Mr. David Lewis (York South): Mr. Speaker, may I first follow up the question that the hon. member for Hamilton West has just asked. The three gentlemen to whom he referred were members of boards of referees. Perhaps the minister was not aware of that and of the fact that their statements were made on the basis or information they obtained from appellants to the board of referees. Would the minister therefore undertake, instead of waiting for someone to tell him, to contact these three gentleman and perhaps even some of the appellants to make certain that the control officers are behaving in the way in which he has said he wants them to behave?

Mr. Andras: Yes, Mr. Speaker, I will be glad to do that. I would only add that I have made that invitation before and I would have been very pleased if those gentlemen had sent that specific allegation to the commission or to me. We would have been able to act on it and give precise answers to the House.

POSSIBILITY OF DISQUALIFICATION OF RECIPIENTS AS A RESULT OF COMPUTER PRINT-OUTS AND WITHOUT INTERVIEWS

Mr. David Lewis (York South): Mr. Speaker, the minister undertook last week on one or two occasions to inquire into the information given to me, which I gave to the House and to him, and ascertain whether or not disqualification has taken place by computer in any number of cases or whether applicants were personally interviewed before they were disqualified. Has he completed that inquiry now?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I am advised that the disqualifications followed individual personal interviews by the benefit control officers prior to the disentitlement. Again, if there are any specific instances or examples where this appears not to have been the case, I would be appreciative of the evidence so that I could act upon it. That is the information I have been given now.

Mr. Lewis: I think this matter is of such importance, and I am sure the minister would agree, for me to ask him where he got the information. I now have copies of several disqualifying letters obtained by claimants and in every case the claimant has stated that he or she was not interviewed and then received his or her disqualifying letter. May I ask the minister from whom he has obtained the information that there are personal interviews and how that information was gathered by the person who gave it to him?

Mr. Andras: This matter is before the advisory committee. I am not treating it lightly in any way, but I would be very grateful if the hon. member would give me that evidence so I can investigate these cases where necessary.

Mr. Speaker: Order, please. I notice six hon. members to my left are seeking the floor on supplementary questions. Before continuing these supplementary questions the Chair will recognize the hon. member for Shefford.

[*Translation*]

TRANSPORT

POSSIBLE BOYCOTT OF INTERNATIONAL TRANSPORT SYSTEMS BY WORLD FEDERATION OF WORKERS—DISCUSSION WITH CANADIAN AMBASSADOR IN BRUSSELS

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

Could he tell the House whether steps have been taken to ensure that our international transportation system by sea and by air will not be paralyzed or boycotted by the World Federation of Labour whose head office is in Brussels?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker, I have not taken any special steps.

Mr. Speaker: The hon. member for Shefford on a supplementary question.

Mr. Rondeau: Does the minister intend to communicate with the Canadian ambassador in Brussels in order to avoid reprisals by the World Federation of Labour which is asking for the liberation of the three union leaders who are imprisoned in Quebec, failing which there will be boycotting of our international transportation system?

Mr. Marchand (Langelier): I think that if the hon. member knew about the organization of the labour movement, both on the national and international levels, he would not be asking this question.

* * *

[*English*]

INCOME TAX

REQUEST FOR EXTENSION OF DEADLINE FOR FILING RETURNS FOR PERSONS WHO ALLEGEDLY RECEIVED INCORRECT TP4U SLIPS

Mr. A. D. Hales (Wellington): Mr. Speaker, mine is a supplementary question to the Minister of Manpower and Immigration. Now that it is apparent that thousands of unemployment insurance claimants will be late in filing their income tax returns through no fault of their own but because of incorrect TP4U forms, is it the intention of the minister to speak with his colleague, the Minister of National Revenue, so that these people will not be fined for late filing?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I think the premise of the hon. member's question is quite incorrect.

* * *

MANPOWER

PLACEMENT PRIORITIES—DIRECTIVE OF MARCH 9—REQUEST THAT DEPUTY MINISTER BE ABSOLVED

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration whether, in light of the many statements of a conflicting nature made both in the House and outside concerning the affair since March 9 last, he now wishes to take this opportunity to publicly clear the name of his deputy minister in connection with that sorry affair?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I think the Prime Minister made a statement on Friday which meets the case. I think any statement I have made which is on the record in *Hansard* also meets the case.

* * *

UNEMPLOYMENT INSURANCE

ALLEGATION THAT BENEFIT CONTROL OFFICERS WORK ON QUOTA SYSTEM

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is with reference to the question I put to the Minister of Manpower and Immigration last week. Has the minister discovered yet whether the unemployment insurance benefit control officers are being forced to work under a quota system?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have inquired into this matter and, as I told the hon. gentleman the other day, if I found such a system to exist I would be the first to take disciplinary action or cause it to be taken, but I have not found that to be the case.

* * *

MANPOWER

FEDERAL TRAINING ALLOWANCES TO STUDENTS—PAYMENT OF INCOME TAX

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Will it continue to be the policy of the government to make jobless students from vocational training programs pay income tax on federal training allowances in the same manner that unemployment insurance benefits are taxed, and will the minister tell the House why students were not warned that this practice would be introduced this year?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the law required payment of income tax on such training allowances beginning January 1, 1972. Again my information is that students were advised of this during interviews preceding authorization of such training and in pamphlets and in letters.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Winnipeg North on a last supplementary question on this subject, and then recognize the hon. member for St. John's East.

Oral Questions

UNEMPLOYMENT INSURANCE

NUMBER OF JOB INQUIRIES TO BE MADE TO AVOID CUTTING OFF OF BENEFITS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to ask the Minister of Manpower and Immigration whether the large number of people who are now being cut off unemployment insurance because they have not satisfied the officials of the commission that they have been active enough in looking for work have been given any information, any details, as to the number of job inquiries they are to make per week or per month so their unemployment insurance benefits will not be cut off?

• (1450)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, that assistance and advice is contained in the interviews and information conveyed to the claimants being disentitled for that reason. They vary according to the community and according to the availability of jobs in particular categories, but in a simple precise way the answer is yes, they are told that.

Mr. Orlikow: Could claimants be given the same kind of directive as must have been given to the officials of the Unemployment Insurance Commission who are enforcing this new policy so they will have some idea of what is expected from them before they are cut off?

Mr. Andras: I think I just answered that, Mr. Speaker, but I shall examine the question again when *Hansard* is printed.

[*Translation*]

Mr. Speaker: Before recognizing the hon. member for Lotbinière who seems to have one or more supplementaries, I will recognize the hon. member for St. John's East.

* * *

[*English*]

TRANSPORT

PENDING STRIKE OF WEST COAST MARINE PILOTS—POSSIBLE CHANGE IN TERMS OF REFERENCE OF PILOTAGE AUTHORITY TO MEET DEMANDS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the minister met with representatives of the west coast pilots in view of the threat of a pending strike of British Columbia pilots with its national implications, and is he prepared to discuss with them changes in the terms of reference or guidelines for the west coast pilotage authority so that it will be able to meet the demands of the B.C. pilots?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I received this morning a request from the pilots' association asking me to meet them. My hon. colleague was kind enough to give me notice of his question. I can only review the whole case to ensure whether my intervention at this time really "unbalances" the bargaining power of the interested parties. If not, I will happily receive not only the pilots but also the British Columbia Pilotage Authority.

[Mr. Speaker.]

"IRISH STARDUST" INCIDENT AT ALERT BAY

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to put a question to the Minister of Transport.

Can he tell us whether the *Irish Stardust* was under the control of a Canadian pilot at the time of the accident near Alert Bay at the end of January? If so, why did the captain allow him to proceed to Victoria, given the condition of the hull?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I cannot remember whether the vessel was in the area where the services of a Canadian pilot are required. I am going to check and advise the hon. member tomorrow morning or tomorrow afternoon, if he agrees.

As for the ship, it could hardly be left where it stood. It had to be taken somewhere and that was to be Victoria. I believe damages were reduced to a minimum and I doubt that anyone can complain about the behaviour of the department in that instance.

Mr. Munro (Esquimalt-Saanich): A supplementary, Mr. Speaker.

Will the minister be in a position to report soon on the accident which occurred about two months ago?

Mr. Marchand (Langelier): Mr. Speaker, I believe I have received just about all the details. We know exactly how much cleaning operations will cost. It is simply a matter of knowing what the company in question and what the government will pay and that I can tell the hon. member when I answer his question about the pilot.

Mr. Speaker: I doubt that the question of the hon. member for Esquimalt-Saanich is really supplementary to his previous question. Still, in a way, it could be related to the first question.

[*English*]

Before going to the next member, I believe the hon. member for Calgary Centre has a supplementary. I hope it will be a supplementary to the one or the other of the questions just asked.

PENDING STRIKE OF WEST COAST MARINE PILOTS—INVESTIGATION OF STATUS OF PILOTS' ASSOCIATION BY COMBINES BRANCH

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs and is supplementary to the question asked by the hon. member for St. John's East. In view of the indication by the Minister of Transport and I believe by the Minister of Labour a short time ago that the B.C. Pilots Association is in fact a corporation and therefore not subject to federal labour regulations and for this reason the minister felt he could not intervene in the discussions, and in view of the fact this is apparently a monopolistic situation, can the minister indicate whether officials of his department

have investigated this situation to see whether it is within the Canadian law dealing with these matters?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is my impression that our existing combines law does not apply to services. Perhaps in due course the hon. member will support new legislation that will help cover the supply of services within Canada.

* * *

ENERGY

BRITISH COLUMBIA PROPOSAL TO USE RAIL TRANSPORTATION FOR ALASKAN OIL—STUDY BY FEDERAL DEPARTMENT—PROPOSED MACKENZIE VALLEY PIPELINE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources arising out of his appearance on the television program, "Question Period". Since the minister has stated that the Canadian government would be inclined to refuse the United States access to the Mackenzie Valley route were it not for the danger of oil spills on the west coast, may I ask if he is having a thorough study made of the proposal of the government of British Columbia for a partial railroad and partial underground pipeline to transport oil from Prudhoe Bay to the United States?

Mr. Speaker: Order, please. The Chair has some reservations about the way the question was asked. The minister will be allowed to reply on the assumption that the question was asked directly rather than on the basis of a statement made outside the House.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should make it clear that the remark was with regard to an oil pipeline rather than a gas pipeline specifically because at the moment the oil reserves have not been identified to the same degree in the Mackenzie Delta. I can confirm to the hon. gentleman that it is the intention of my department along with the others affected, the Department of Transport and the Department of Indian Affairs and Northern Development, to examine Premier Barrett's proposal very closely. I believe as a first step a group will be contacting the provincial government at an early date to see on what advance studies of the ecology, engineering and economics the Barrett proposal was based.

Mr. Douglas: In view of the fact that in answer to a question I asked last week the minister and the Prime Minister seemed to have some preference for the Mackenzie Valley route pipeline because it would carry Canadian oil as well as American oil, I want to ask the minister if there are any proven reserves in the Mackenzie Valley or whether it is correct, as the chairman of the National Energy Board has said, that this pipeline would be used exclusively for American oil, certainly for some time to come?

Mr. Macdonald (Rosedale): The suggestion, Mr. Speaker, was the development of the Mackenzie corridor. Given the fact that it would only be possible to develop one such corridor in this current decade, it seemed to us to make more sense to develop one which would serve Canadian resources, in this case natural gas, as well as American oil and natural gas, than one which would serve the United States alone.

Mr. Douglas: As the government seems to have pretty well made up its mind, provided the Americans are agreeable, to proceed with the Mackenzie Valley project, may I ask the minister if the government has completed its ecological studies of such a pipeline and whether these will be prepared and made public prior to an application being entertained by the National Energy Board?

Mr. Macdonald (Rosedale): Mr. Speaker, I should correct the hon. gentleman. In my remarks on television I said that the government would be prepared to entertain an application. Since the jurisdiction rests with the board it would, of course, have to decide in the first instance whether an application could go ahead. A great many of the studies have been completed and have been published. My recollection is that my colleague, the Minister of Indian Affairs and Northern Development, provided a very lengthy list of those already published and an even longer one of those to be published, along with the publication dates, to the standing committee to which he was reporting.

PROPOSED WEST COAST OIL TANKER ROUTE—PRESENTATION OF CANADIAN POSITION TO UNITED STATES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is supplementary in reference to the national interest of Canada only. In light of the fact that there is a congressional hearing which will decide whether the United States will transport crude petroleum down the west coast in international waters off Canada from Alaska to the west coast of the United States, has the Canadian government set out a firm position to the United States so that before a decision is taken in the next month they will at least know where we stand in reference to the ecology and economics of that situation? I ask this question particularly in view of the minister's statement on "Question Period" yesterday as to a Mackenzie pipeline for either crude petroleum or natural gas.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would remind the hon gentleman on that supplementary that the statement of that position was provided in correspondence between myself and Secretary Morton which was laid upon the table of the House during the last session. We have continued to make it evident through diplomatic channels that that position is clear. President Nixon has made it quite clear, to borrow his phrase, that in no way is the present United States administration interested in the Canadian route. All the information on the Canadian route has been made available to the American authorities. The United States administration is obviously determined on its own route.

• (1500)

Mr. Woolliams: In light of the fact, as disclosed in a recent *Financial Post* article, that the Liberal leader, Mr. Anderson, who has taken a firm position with respect to this matter, has stated that if the Canadian position is not made known and if it is not firm with respect to whether we intend to entertain or endorse a pipeline the United States will make the decision within 30 days despite Canada—I am thinking of the national interests of Canada—what is the minister's answer to that?

Mr. Macdonald (Rosedale): Mr. Speaker, I repeated on the weekend—I am glad I had the hon. member as an audience—to all Canadians, as I have repeatedly said in the last year or so, that we would indeed entertain such an application. However, because of the National Energy Board Act and the jurisdiction of the board, of course no government of Canada is in the position to give an advance commitment that such pipeline may be built. We would, however, entertain such an application.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

BENEFIT CONTROL—ALLEGED STATEMENT BY REFEREES INDICATING WITCH HUNT—REQUEST FOR INVESTIGATION

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a queestion for the Minister of Manpower and Immigration.

Is he aware of the very serious charge laid by three referees of the Toronto board of appeals, Mr. Murray Tate, Mr. William Baker and Mr. Henry Weisbach, to the effect that several persons were deprived of their unemployment insurance benefits and were the victims of a real witch hunt and, if so, can he check those facts and report to the House on the appeals procedure to the Unemployment Insurance Commission?

Mr. Speaker: I am under the impression that the question has already been put to the minister. In any case, if the minister has something to add to the answer he gave he could be recognized for that purpose.

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I just want to confirm that I answered that question earlier in the question period.

* * *

FLOODS

DAMAGE IN SOUTHWESTERN ONTARIO—REQUEST FOR FEDERAL ASSISTANCE IN ASSESSING PROPERTY LOSS AND IN RECONSTRUCTION

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I wish to direct my question to the Minister of the Environment, but in his absence and because the concern is shared by the Minister of Agriculture as well I direct this question to him. In view of the second major catastrophe in southwestern Ontario, particularly in Essex and Kent counties, caused by the combination of high water and violent storms on the Great Lakes, can the minister say if federal engineers are today working with provincial engineers in assessing the tremendous property loss, and will he say if consideration is now being given to increasing federal aid and accelerating the repair and reconstruction there in view of the continuing danger in the face of spring storms?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I spent most of the weekend talking to the people in the area and talking to my provincial counterpart, Mr. Stewart, several times. I do hope that both provincial and federal people are in the area today. It is my understanding that this is the fact, although I have not had time to check and find out if they are there. I met with several municipal leaders on Saturday night, and I think there is another meeting scheduled for this coming Saturday afternoon to assess what the damage was and where they should go from here. All I can say is that I am trying to keep in close touch with what is going on and with what we can do to assist those people in their present plight.

DAMAGE IN SOUTHWESTERN ONTARIO—POSSIBILITY OF FLOOD INSURANCE PROGRAM

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, may I ask a supplementary question. In the absence of the Minister of the Environment, perhaps I can direct my supplementary to the acting minister. In view of the fact that further floods are likely, is the federal government now prepared to establish a program of flood insurance for land owners in southwestern Ontario?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will bring that question to the attention of the Minister of the Environment.

[*English*]

HIGH WATER LEVELS IN GREAT LAKES—SUGGESTED FEDERAL INITIATIVE IN FLOOD CONTROL PROGRAM

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary question is for the Prime Minister. In view of the fact that not only in the Windsor area alone, not only in the Lake Erie area alone but right through the lower Great Lakes this year there is a tragedy forthcoming of gigantic proportions, would the Prime Minister please impress upon his ministers that they should not leave most of the responsibility to the provincial government and, as this is an international waterway and a navigable waterway, will the federal government show more initiative and leadership in the whole flood control program in the lower Great Lakes?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the problem of flood control and meeting natural disasters the government has a position. It has explained this position. The essence of it is that we do not like to intervene in provincial jurisdictions or in provincial territory or in areas off that territory except at the request of the province. In fact, in previous years at the flood season

there have been many instances in which the House has heard ministers announce federal assistance to alleviate or repair flood damage in any cases where the province had so requested. Last year there was a case in British Columbia where the federal government supplied funds to the tune of several millions of dollars. This happens all the time. There is a federal policy. It is important that the provinces and the provincial governments themselves realize the extent of the occurrences.

Mr. Lawrence: Is the Prime Minister then indicating that if the province of Ontario indicated some desire for the federal government to intervene in this matter, in respect of the lower Great Lakes this year, that federal assistance would be forthcoming?

Mr. Speaker: Order, please. That question is hypothetical.

* * *

FINANCE

REQUEST THAT GOVERNMENT INTERVENE TO PREVENT SUGGESTED INCREASE IN INTEREST RATES BY CHARTERED BANKS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. In view of widespread reports from financial circles that Canadian chartered banks are planning in the near future to raise their interest rate structures, and as, of course, this would greatly slow down industrial expansion and job opportunities, has the minister been in touch with the presidents of these institutions or, if not, will he point out this important fact and request that interest rates not be raised at this important time?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will certainly take the representation of the hon. gentleman into consideration.

[*Translation*]

BRIEF OF CANADIAN FEDERATION OF AGRICULTURE ON CAPITAL GAINS TAX—MINISTER'S POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Finance.

A paragraph of the brief submitted to the cabinet last week by the Canadian Federation of Agriculture reads as follows:

The capital gains tax concession on the transfer of farms within a family is so designed that it makes any serious planning of operations almost impossible; it does not even include property other than land.

Can the minister tell the House if he examined the paragraph and what answer he intends to give concerning that request?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I even attended the submission of that brief and answered the federation. For a more final answer, the House will have to wait for the text of the bill.

[*English*]

TRANSPORT

CLOSING OF RAILWAY STATIONS IN WESTERN CANADA—SUGGESTION TRANSPORT COMMISSION WILL ONLY HEAR BRIEFS FROM LAWYERS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Transport in connection with the proposal to close railway stations in western Canada. As Canadian National is holding at many points and as a representative of the Saskatchewan government is on hand to inform the public that briefs to the Canadian Transport Commission will only be heard after there has been consultation with lawyers, has the Canadian Transport Commission removed itself so much from the public that people have to resort to lawyers, or will briefs presented by the public generally be heard by the commission?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will inquire of the commission and give an answer to the hon. gentleman.

Mr. Korchinski: May I ask the minister whether the meeting that he suggested early in January he will hold with provincial representatives is any closer today than it was in January?

Mr. Marchand (Langelier): Mr. Speaker, it is closer today that it was in January.

* * *

MANPOWER

POSSIBLE ACTION TO HAVE EMPLOYERS LIST ALL AVAILABLE JOBS WITH LOCAL OFFICES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a question for the Minister and Immigration. In view of the fact that those who are applying for unemployment insurance benefits must first register with local manpower offices, and in view of the fact it was revealed by the Swadron committee report that only 23 per cent of available jobs in Canada are registered with manpower offices across the country, is the minister considering any action to have employers list all jobs available with local manpower offices?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we are not considering any compulsory action, of course, because that would not be in our jurisdiction, nor proper. We are appealing to all employers across this country on every possible occasion to do so. I might say that we have indicated to unemployment insurance claimants that we would prefer that they do not use the services of manpower offices only but to search for jobs beyond that, which is part of the statement I made the other day.

Mr. Rodriguez: Does the minister think it is fair that people who are unemployed . . .

Mr. Speaker: Order, please.

Oral Questions

COMMONWEALTH CONFERENCE

PURPOSE OF MR. HEAD'S VISITS TO COUNTRIES—REQUEST FOR ASSURANCE CONFERENCE WILL NOT BE POSTPONED

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I ask the Prime Minister what purpose his personal envoy, Mr. Head, has in visiting various Commonwealth countries at this time?

• (1510)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, Mr. Head is attempting to meet as many as possible of the heads of government who plan to attend the Commonwealth Conference to be held next summer in Canada in order to discuss matters of the agenda and various other arrangements with them.

Mr. Diefenbaker: Mr. Speaker, what particular message was to be conveyed to General M'boto of undistinguished notoriety, the head of Uganda? What was the message to him?

Mr. Trudeau: Mr. Speaker, President M'boto is no longer president of Uganda.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, that just indicates one should not accept everything one reads in the newspapers.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I now ask the Prime Minister this: Is Mr. Head carrying a message to these various countries of the possibility of having to postpone the Prime Ministers' conference in Ottawa in August because of an intervening event? Will the Prime Minister give assurance that, regardless of the eventualities of the next few weeks, the conference will be held on the date fixed?

Mr. Trudeau: Mr. Speaker, there is, of course, no guarantee that political events will not intervene between now and the month of August. However, there is no suggestion being made by this government that this should prevent us from going ahead with plans for the conference or, indeed, with plans for the Queen's visit. I would be curious to know whether the right hon. gentleman would support an endeavour to cancel the Queen's visit and the Commonwealth Conference just because there might be some political events that would be distasteful to him and his party.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, realizing the tremendous intense affection that the Prime Minister has always evidenced for the Crown—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: —may I express to him deep appreciation for his change of heart and his conversion. However, I wish to ask him, in the event that an election should take place—

Some hon. Members: Oh, oh!

[Mr. Speaker.]

Mr. Diefenbaker: —even though the Prime Minister will not occupy that position after the election—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Diefenbaker: —have there been any tentative plans made or has he transmitted such to any of the countries within the Commonwealth that, on the basis of previous experience, an adjournment might be necessary in so far as Canada is concerned?

Mr. Trudeau: Mr. Speaker, the question is entirely hypothetical, but I must point out to the right hon. member that the premises on which it is based are just a continuation of the type of innuendo that the right hon. member has been speaking quite often in this matter.

* * *

FISHERIES

PRESENCE OF FOREIGN DRAGGERS WITHIN 12 MILES OF NEWFOUNDLAND COAST—REQUEST FOR ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in the absence of the Minister of Fisheries I wish to direct my question to the Prime Minister. It is prompted by an emergency telephone call I just received. In view of the fact there is evidence of foreign draggers off the northern coast of Newfoundland that are fishing within the 12-mile limit, will the Prime Minister direct that this emergency be corrected and that the Minister of Fisheries be delegated to act at once?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I am replacing the Minister of the Environment I will report immediately the hon. member's representation to him.

[*English*]

Mr. Marshall: In view of the fact the patrol vessels of the Department of Fisheries are ineffecive in this emergency, I wish to direct my question to the Minister of National Defence.

Some hon. Members: Oh, oh!

Mr. Marshall: Will the minister take note of this emergency and direct the air-sea rescue squadron to look into this dangerous activity by foreign draggers?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I will consult with my colleague, the Minister of Fisheries.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Defence. Is the government prepared to give consideration to supplementing the inadequate fisheries patrol fleet by Canadian naval vessels to protect Canadian nationals fishing in Canadian waters?

Some hon. Members: Hear, hear!

Mr. Richardson: Mr. Speaker, we will have to find out what the state of the emergency is before we can make any decision in this regard.

* * *

VETERANS AFFAIRS

REQUEST FOR ACTION TO DEAL WITH BACKLOG OF PENSION APPLICATIONS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. In view of the numerous inquiries about the backlog of just over 9,000 applications for new and increased veterans' and dependents' pensions as indicated about two weeks ago, has the minister arranged for or is he considering a further increase in the number of new commissioners to help deal with this backlog of applications?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, answering the hon. member's question, as I indicated to the House before, considerable progress has been made in this regard. We have appointed new commissioners. For the information of the House, applications are being received and applications are being processed. In the month of February alone we received 700 additional applications. At the same time, I wish to inform the hon. member that I am reasonably satisfied with the progress being made. We know the matter is of an urgent nature and we are doing our very best to deal with it.

Mr. Speaker: Before calling Orders of the Day, the Chair will recognize the Leader of the Opposition and try tomorrow to recognize some of the members in the third, fourth and fifth rows.

Some hon. Members: Hear, hear!

Mr. Speaker: Perhaps it will be their turn tomorrow.

* * *

FINANCE

REQUEST FOR BREAKDOWN OF ESTIMATED CASH REQUIREMENTS FOR FISCAL YEAR 1973-74

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to ask the Minister of Finance the same question I asked him twice before. When is he going to be able to give me the breakdown of the cash requirements of the government of Canada for the next fiscal year? I find it difficult to understand his problem. I would have thought he would have to have a breakdown before he could compile a total.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, what I am having difficulty with is putting the answer in a form that can be accommodated during orders of the day. I am looking for another way to respond to the hon. member.

Mr. Speaker: Orders of the day.

National Housing Act

Mr. Lawrence: Mr. Speaker, I rise on a question of privilege. It relates to four answers to four questions received today from the ministry which I find to be insulting in the extreme. The four questions are Nos. 1,034, 1,035, 1,036 and 1,037. Briefly, they relate to the question of what persons, companies or groups in two counties in southern Ontario received printing contracts during 1971 and 1972. The answer I received from the Minister of Supply and Services in each case is very brief. I quote it:

> The records of the department are not kept in such a manner to readily provide information about contracts awarded to business firms in counties or constituencies.

In all fairness, I find these so-called answers to perfectly legitimate questions, and we have every right to have this information placed before us, insulting in the extreme. That is my question of privilege.

GOVERNMENT ORDERS

NATIONAL HOUSING ACT

PROVISIONS RESPECTING NEIGHBOURHOOD IMPROVEMENT, REHABILITATION, OWNERSHIP, NEW COMMUNITIES, ETC.

The House resumed, from Friday, March 16, consideration of the motion of Mr. Basford that Bill C-133, to amend the National Housing Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I did not conclude my remarks on Friday afternoon. As Your Honour is aware, shortly after you called private members' hour, the fireworks started. However, it is a privilege to again speak on housing and to try to put before the House the position of the people in the small municipalities and rural Canada. Those in rural Canada must look into every possible angle for new housing, no matter under what department it comes. I think they could be assisted further through the Ministry of Veterans Affairs.

• (1520)

A few weeks ago I asked the Minister of Veterans Affairs (Mr. MacDonald) a question concerning the number of late applications for assistance received from veterans under the terms of the Veterans Land Act. I had in mind those who had failed to file certificates before the expiration of the deadline. I also asked whether the minister planned to take action to have the deadline extended to accommodate veterans who would now like to acquire small holdings but who had failed to apply. A great many veterans did not take advantage of this generous plan when it was available, and I would commend the government of the day for having introduced this scheme. If this offer could be re-opened, much needed housing could be started at most attractive interest rates and rates of payment. Such housing could be restricted to "have-not"

areas where ordinary subdivisions have not been developed.

At this point I might be permitted to make an aside—I do not know whether or not it could be classed as a question of privilege. I know it is customary, on occasion, for hon. members to quote from newspapers. In the *Globe and Mail* this morning I saw an editorial which started off very nicely with the words "Hi, there . . . ". Then, it went on to berate two members of this House—for which, more power to it. But, at the end the article states:

Still, this reduction of minority government parliament to its lowest common denigrator—

I understand this is a very insulting way in which to say "denominator"—

—is curiously casual in a House to which the halt and lame and seedy have lately hauled their feverish bodies.

I can defend myself very well, and so can a good many members of this House. But when it comes to words such as these, I think of two outstanding members. One of them is the Minister of Veterans Affairs, who despite a handicap is an outstanding member of the House and an outstanding servant of this country.

Some hon. Members: Hear, hear!

Mr. Darling: Another is the hon. member for St. Catharines (Mr. Morgan), again an outstanding member, despite the fact that he is almost blind.

Some hon. Members: Hear, hear!

Mr. Darling: These hon. members are certainly to be commended much more highly than those of us who enjoy reasonably good health. I think some smart-Aleck reporter for the *Globe and Mail* should be taken to task. He may have a strong back but it is my impression he has a very weak mind. A good many of these people seem to think they have the answers to all questions—that the hon. members on the government front bench, and on the front benches of the opposition parties, know nothing compared to these smart-Aleck reporters who have answers to everything. I am very well aware of the saying "If you can't take the heat get out of the kitchen". I am here and I like the heat. There is no signature beneath this article—it was probably written by some cub reporter. But when accusations of this kind are made, I think it is time someone in this House spoke in defence of the members concerned and took these writers to task.

There is one other area with which I should like to deal. It brings up the whole question of subdivision control and the long delays which occur in approving land for building. I listened to one farmer, now retired, telling me in very strong terms, to put it mildly—I could not repeat in this chamber the language he used—that the government had kicked him off his farm. He wanted to take an acre of land off his farm and build a small modern house on it. He would then turn the farm over to his son to operate—his plan was to help his son and, probably, to keep a few chickens himself. Well, he was unable to get permission to build the house and, as a result he sold the farm to someone from the city who paid, I suppose, a reasonable price for it. The point is, though, that the farm is now out of production and the barns are falling into decay. This, to me, represents a step backwards.

I am well aware of the powers available to provincial planning boards to determine where buildings can be placed. But in this case the farm was located close to a highway on a year-round road. No additional services were required, and the school bus already passes the lot the farmer had chosen. All that has happend is this: the township in question has lost the additional taxes which would have been paid, and the farmer has moved into town, where he was obliged to pay almost the total price of his farm for a house—a house in which he is not nearly as happy, and probably not as healthy either.

I know of a great many other cases, such as the one I have just mentioned, involving farmers who wished to retain one building lot on their farms upon which to build a home for their retirement. This story has been repeated many times across the province of Ontario. Homes could have been built on these lots without any worry whatever about additional services. No new sewers or water systems would have been needed because the lots chosen were, naturally, by the side of existing roads. I do not think these farmers intended to raise second families but in any event the school buses were going by their doors.

I believe it has been established that the federal government's explicit role in the housing field is to ensure that all Canadians are adequately housed in viable communities at prices they can afford. That is certainly an ambitious undertaking. It means that at the federal level, at least, and only partly through cost-sharing there has to be a concentration of effort on housing needs of low income families. It means a wider search for new and cheaper building techniques. It means assistance to the less well-off among us to enable them to rehabilitate their homes and their communities. Among other things, it moves Ottawa into a field of direct income subsidies in connection with housing, where required, as a new wrinkle in its income support programs.

As an example of the savings which can be brought about through alternative building techniques, about $2,000 could be saved on smaller homes if basements were dispensed with and the homes were simply built on solid concrete slabs. Then again, the building code presently demands that all lumber used in house construction must be stamped. This discriminates against many of our small sawmills which are unable to provide stamped lumber. Yet their lumber is graded—it is just as good as the stamped materials and, sometimes, it is better. Relaxation of this rule should lead to a saving amounting to a minimum of $200 a house—the exact amount would depend, of course, on the quantity used. That damned stamp costs an additional $20 per thousand. For many applications, second grade plywood could be used, sometimes available at half price. Again, of course, the total saving would depend on the quantity used. I would point out that in many of the homes built in our smaller centres plywood is used a great deal for finishing rather that gyproc or plaster.

I am pleading for a place in the sun for the rural areas of Canada. These are the areas in which attempts should be made to build more houses and develop more industry. I firmly believe that, given a reasonable opportunity to

choose, people will place quality of life ahead of economic gain, and would be only too happy to move to, or remain in, rural areas of Canada, provided they could make a reasonable living there.

I note that the bill proposes to make money available for the renovation of older homes. The maximum amount of $2,000 available certainly does not go very far, however, and I hope the minister will agree to increase this sum considerably. I also hope the provinces will be willing to provide matching grants. It seems to me only common sense, or business, that a thorough restoration job costing $6,000 or $7,000 is far preferable to a patch-up job costing $2,000 or even $4,000. With additional financing some of these older homes could probably be made into duplexes to provide good living accommodation for two families. I would hope also that this type of a loan would be available to families anywhere in Canada.

• (1530)

I am pleased to note that housing is to be made available for our native people on the reserves. If money for much needed housing can be made available in these areas where there certainly are no sewers or water systems, then so that there will be no discrimination, I feel that loans should also be made available in other rural areas and small villages which do not have these facilities but could meet the other criteria, such as available land, good soil, independent water supply and satisfactory soil for weeping beds.

This points up what I have been endeavouring to say, which is that no area should be barred from applying for and receiving national housing money and loans. Housing in rural Canada, therefore, will require the combined help of all three levels of government and their many departments. Again let me emphasize that the Minister of Regional Economic Expansion and the Minister of Finance should be providing money and working together to promote the build-up of the economy in smaller centres.

The one provincial department which is the greatest culprit in restricting building is the department of municipal affairs, and certainly the province of Ontario is far from guiltless. They say that we chastise those we love for their own good, Mr. Speaker, and a good example of this occurred last Thursday in two provincial by-elections. I am hoping this provincial government will take to heart the strong feelings of the rural people in Ontario and make an about face. I would strongly recommend that they start putting their stamp of approval on a lot of land which is ready to be developed and provide additional housing at low prices.

In my own little area people are begging for a lot on which to build a house. All of them say that they want to get out of the city. Believe it or not, I can look out of my own office window and see enough land on which to build 50 or 100 houses, but none of it is available because of subdivision control and crazy delaying laws from the department of health, whose inspectors take their own good time approving property and time and again turn it down. I might say that local people have a different name for these inspectors; they are called "sewer sniffers".

I should like to commend the speech given last Monday at noon in Ottawa by the Ontario minister for housing in which he outlined many forward looking plans. Then, we heard on Monday evening one of the directors in the department, and I am glad to know that both governments are working together in co-operation and will give every assistance.

One of the areas in my riding, the district municipality of Muskoka, has just prepared a submission to the Ontario advisory task force in housing policy. They have gone into great detail stressing shortages of certain types of housing, the great difficulty in getting new housing underway, and emphasizing diversification of the economy in selected locations within the district as a prerequisite to a substantial increase in the standard of living of the present permanent population of the area. Land ownership in this particular area by residents is continuing to decline; now less than 50 per cent of the area is privately owned. The proportion of land owned by residents of metropolitan Toronto has been increasing; they presently hold 33 per cent of the privately owned land. The influence of residents of metropolitan Toronto in the district has therefore become very significant and is continuing to increase.

Provincial and federal measures to encourage employment have had a direct effect upon industrial growth and the need for permanent residential housing. The brief goes on to recommend that residential development should be permitted on a limited number of sites where partial services can be provided, but agrees that indiscriminate urban development throughout rural areas is not desirable. It is the feeling of this particular area in Muskoka that a limited amount of residential development in rural areas could be permitted, and such a policy would ease housing problems.

They also recommend that the province should consider entering into the financing market to the extent required to assist lower and middle income groups to obtain mortgage money in rural and recreational areas of the country. These areas are not adequately serviced by existing financial institutions; mortgages are refused many potential buyers in the absence of full services in small communities and in rural areas. They also recommend, as I have many times, that there should be ways and means of assisting municipalities to provide fully serviced residential lots in small urban communities. This should apply particularly to communities in areas of difficult terrain where the cost of servicing is often prohibitively high. This type of assistance should aid in maintaining real estate prices at a reasonable level.

It is recognized that indiscriminate urban development throughout rural areas is not desirable, but it is the feeling of the people in the district of Muskoka that a limited amount of residential development in rural areas could be permitted. Such a policy would ease certain problems. It is highly unlikely that development could approach urban density other than on the most suitable sites, but steps could be taken within the framework of planning policies to ensure that development in rural areas is strictly regulated and directed to sites best suited to residential uses on partial services. The province should review ways and

means of assisting municipalities to provide fully serviced, residential lots in small urban communities.

The objectives of Bill C-133 still look like noble gestures, with the purpose of bringing good housing within the reach of more Canadians. However, I would point out that the government's duty to rural dwellers is non-specific in the bill. The only possible attention given to these persons would lie in a small "l" liberal interpretation of the new communities, neighbourhood improvement and rehabilitation of existing housing proposals. However, it must certainly be assumed that money will not be poured into these districts in view of great pressure from the urban areas and, of course, the trend to urban living.

I would also point out that a beneficial housing policy cannot be developed in isolation from other programs. The government still has no full strategy for urban growth. For example, the failure of the government to develop an effective transportation policy will ultimately result in the failure of its housing strategy. This is one more argument in favour of transferring a good deal of new housing activity to the rural areas where roads are already built but the same services are not demanded. Many of the communities are situated along railroad lines, where rapid transit could be utilized if only the railways would provide it, rather than discontinuing trains and doing their best to tear up the railway lines so they can never be forced to go back to transporting people. Urban developers are told that in their price of land must be included the cost of recreation facilities, park lands, arenas, recreation centres and so on. These facilities are already available in many small communities crying for housing.

If I have one priority as a backbencher in this House of Commons it is this, that I will endeavour to be a voice for rural Canada. I have said this before and I will continue to say it. I served as the head of a municipality for a quarter of a century and certainly know what is required in small towns and villages. I get a little weary of hearing about "urban this and urban that". Again I stress that a special department of rural affairs should be set up, or an ombudsman appointed to speak on behalf of the rest of Canada. As I look around this chamber, I wonder if it would not be an excellent idea to have a large map of Canada available to let some of these urban Members of Parliament see just how much of Canada they represent. Take for example the map of Ontario. It reminds me somewhat of a chicken. The chicken's head and part of its neck comprises southern Ontario, and the rest is the great rural area and northern Ontario.

• (1540)

The hon. member for Calgary North (Mr. Woolliams), our housing critic, when speaking most eloquently on Thursday night, stated that the metropolitan Toronto area would require at least $73 million of the 100 million dollars allocated for any one year for land assembly. He went on to state that this would leave only $27 million for the other cities, Montreal, Winnipeg, Vancouver, Calgary, Edmonton and Halifax. This certainly is dividing it like a Christian, Mr. Speaker, and you know what it leaves for the rest of rural Canada, about three-eighths of five-eighths of you can guess what.

[Mr. Darling.]

I understand, from what I read in the paper this past weekend, that Toronto is now demanding 100,000 lots, and the price is at least $20,000 a lot. I am not very good at multiplying, but I thought the total cost came to $200 million. However, I had it checked by one of my colleagues and he said it is $2 billion. Now, Mr. Speaker, that is a hell of a lot of money. If you read the Toronto *Star*, every weekend you will see houses advertised at $41,000 to $80,000 in Oakville's Charmwood, and so on, and a Mississauga townhouse at $30,000. This is decentralization says the hon. Minister of Finance (Mr. Turner). My gosh, we could build I don't know how many thousands of homes in rural Canada with that amount of money and let the development of Toronto stop where it is. I get sick and tired of seeing all these advertisements.

Mr. Speaker, again I am hoping that hon. members on this side here, as well as hon. members on the government side, will say that Toronto and Montreal have grown too damn big, period, and, therefore, we will have to look to other areas to decentralize. By "decentralize", I do not mean moving out to Mississauga or up as far as Thornhill. I am not quite so familiar with that great octopus, Montreal, but I understand it extends for 20 or 30 miles. I intend to stretch our sights a great deal farther in order to try to get industry into this area and then housing along with it. Again, Mr. Speaker, thank you very much and I hope that my few remarks will be given consideration by this House.

Mr. Jim Fleming (York West): If I may at the outset, while the hon. member for Parry Sound-Muskoka (Mr. Darling) is still with us in this Chamber, make brief reference to the fact that I had hoped, when I came here as a new member only a few months ago, that perhaps Toronto would no longer be the favourite whipping dog of all other parts of Canada. As I say, I had hoped that practice had faded, and I am sad to see that it has not. Indeed, we have problems and I hope I can convince you, and the other members through you Mr. Speaker, that members from Toronto also share a concern and responsibility for rural Canada, and a very genuine concern. I had made a note, before the hon. member made reference to what seemingly was an unfair proportion of assistance being given to Toronto—at least that is what I gathered from his comments, Mr. Speaker—to make sure that I refer to the fact that I come from rural Ontario roots so I share the great concern of the member for Parry Sound-Muskoka about the condition of housing in rural Ontario.

Borderline poverty people and lower middle-income people in our cities are doing much better in housing in finding accommodation, if it is not housing of their own, despite the fact there remain many very critical problems. Meanwhile, many of our farmers working very hard to earn a minimum wage find themselves in housing that would never be accepted within an urban area in Canada. Certainly, a great deal more has to be done in that area and I want to make that very clear as someone from Toronto, Mr. Speaker.

Now, in referring to Bill C-133, I want to cover, if I can first, two or three basic points and then go into some detail, if I may. First, after going over all the material that was made available to me, as well as my own awareness of the housing problems in a suburban riding such as my

own which has a population of 140,000 and all the hell and dilemma of suburban sprawl, I was very pleased to learn that the federal ministry of urban affairs and housing had made a very real effort to discuss with the provincial and municipal levels of government just what kind of assistance was needed at this level. There was a real tri-level input I believe, Mr. Speaker, and I certainly think that is the way you start out to really help those other two levels of government.

If I can refer to the particular areas that I think are the very essence of the intent of this bill, having said that getting together and creating understanding at all levels before presenting this bill is important, I want to say these areas of real change from the original legislation brought down a year or so ago are the result of this getting together. I think the land banking to which the hon. member for Parry Sound-Muskoka referred a few moments ago is one example of something basic and urgent, which the government has recognized and upon which it certainly has not taken piecemeal action, but very strong and decisive action. As I add it up, over the next five years about half a billion dollars will be provided to try to put back into shape the housing in our urban areas.

It is very true we need development in rural Canada. Areas which have been neglected need help, but there is now a crisis—right now—in our urban areas and that must be met. One of those crises, certainly, in my area in suburban metropolitan Toronto, is the cost of land and the way that influences the cost of housing. Now we have the impossible task for many even in the middle-class, much less the lower middle-class, of finding themselves homes.

• (1550)

Finally, when I talk about the basics of recognize in this bill, I think very much of, and am extremely encouraged about, the inclusion in the neighbourhood improvement program of improvements to commercial properties. I am not referring to Eaton's, Simpsons, Steinbergs or Safeway. I am referring to the little fellow who has built up a small community store and has seen his neighbour's home deteriorate. Perhaps his store has become run down as a result of urban sprawl, and general physical deterioration in an aging community. We must include business, as well as the other factors in the community program, and provide some incentive to improve. I believe this is a very positive step indeed, at a time when small business in this country should be encouraged.

Now, perhaps I might turn to the particular reforms. First, I wish to talk about the new community program. In the address the minister gave to this House a few weeks ago I noted that the objective of the legislation is to help accommodate urban growth other than by urban sprawl and to promote the development of regional growth centres. In my own riding of York West in northwestern metropolitan Toronto, I have seen what urban sprawl can do, not only in respect of the misuse of land not built on previously but also in terms of engulfing a small town with a proud community caught up in the problem of trying to maintain that community. We have seen high rises move next door to a family home which has existed for a period of 40 or 50 years. We have seen the problem confronting people who must move to suburbia to even find apartment accommodation which they hopefully can afford, and where they can find available within their budget recreational facilities for their children included which cannot be found at a reasonable price in the heart of a densely settled area. They move out to the far suburbs which includes, in part, my riding. They move into high rises and suddenly find that they are not welcome because other people who have also moved out of the city core, who could afford land previously, now do not want the imposition of density resulting from the construction of high rises. It seems terribly important to me that this new community program will help develop regional growth centres and help fight that kind of urban sprawl which causes very unnecessarily, I believe, confrontation between people seeking a decent place to live.

I am also very pleased that the new community program does not involve merely land and buildings. This legislation provides that loans will be available and will take into account the need for open space, planning and services. It is no good just to throw a chunk of land at the public and throw up a lot of units with the kind of mistakes I believe the Ontario Housing Corporation has made in the province of Ontario, thereby creating terrible ghettos. The problem is to provide the open space and the atmosphere so that a citizen of any income group will know he can find housing where he can live with respect and dignity.

I would like also to say that in that particular program of new communities the expression of the desire to co-ordinate the various federal departments involved is extremely important. A lack of co-ordination, as a matter of fact, has occurred too often in the past at all levels of government and, unfortunately, has brought suffering to one group, namely, the people who seek government assisted housing in their search for a decent place to live. So, interrelation and co-ordination should play a part in that program and allow for certain community experiments in such fields as urban transportation, communication and in the mixed use of land as a concept in contrast to traditional zoning practices. His pledged co-ordination will also help to reduce urban pollution and introduce new models in community development.

I also think it is very promising that this very young and fresh department is willing to say it has learned a lesson in the area of urban affairs, has considered the needs expressed by all levels of government, and now intends to take the initiative. It is also saying it wants to learn, will experiment, and within a short period of time will find out how it can positively and quickly bring forth the most effective measures. On the issue of the land bank, the amount of $100 million is a major assist in metropolitan Toronto. For instance, in order to obtain land of any kind one must be a very large developer with large financial resources. The end result has been that a very few people have control of the only land available for development. As the private control by a few develops, we find soaring prices and inability for anybody except the very well-to-do to purchase homes. We want to move into our urban communities and drive down the prices the speculators are demanding and also provide, through competition, to them, a lot more housing. This seems to me to be very crucial.

My concern would be that if the experience of the government over the next year or two is that $100 million is not enough, then it should be prepared to try to find the funds to expand that to an even greater amount. I also want to say in relation to the land bank program that I believe it is extremely important in cases where a loan is taken out and land acquired and retained in public hands, whether by the province or by the municipality, that the term of the loan is doubled so that it will not be a period of 25 years, but a period of 50 years repayment, thereby providing a real opportunity for the public sector to take a piece of the action in this area with the feeling that they do not have to worry about the short-range situation; they then know they can control long range development without a heavy short-range burden on local taxpayers.

I want to speak for a moment about the assisted home ownership program. I think there are three major factors which show the positive direction of this legislation as proposed by the government. The first is that if you are to assist people buying homes you must realize that today even with the kind of land bank program I have discussed, it will take a lot more time for lower income people to pay off a mortgage because prices have gone up tremendously. Many people, not just the upper middle-class and the wealthy, but the great broad strength of this country, the group below that level, still want an opportunity to have homes and the extension of the mortgage period to 40 years will be of a real assistance. I hope, indeed that we will get to a point where we can actually bring down prices in respect of houses because 40 years is a long time to have a mortgage hanging around one's neck.

The second positive point I find in the assisted home ownership program is the fact that we have the pledge the government will make money available at the lowest rate of interest possible for these people. The government finally has shown its concern by lengthening the period of mortgaging, lowering interest rates, and by saying that, in many instances, it will even go further in order to allow people to get a start and will take action to help many with partial grants to assist home ownership without any strings. I think I spoke briefly about the non-profit housing assistance and how it will help churches in the city core as well as help service clubs and other groups develop in the community to do the kind of thing the government has tried to do alone with limited funds over a number of years. Perhaps it could have accomplished a lot more if it had decided sooner to encourage the private sector by taking the kind of measures proposed in this bill.

I want to go on from there, if I can, to talk about the fact that in the non-profit housing assistance program there is provision for an increase from 95 per cent to 100 per cent of the loan value. I have heard several members in this debate in the early stages pooh-pooh this provision. I believe it is very important. If you take a piece of land occupied by a large church in downtown Toronto where the congregation has fallen off to 150 to 200 people, they can move and join up with another congregation nearby. They can now take the acre and a half or two acres of land they hold including the manse, the church itself, the parking area and so on and the government can say: we will lend you the total amount and are even willing to give you as much as a 10 per cent grant of the capital cost; away you go, build it and participate with the public sector in developing this kind of housing which would be of tremendous assistance.

Now, perhaps I might touch in some detail on the neighbourhood improvement program. This is something very close to my heart and particularly important to one area of my riding, the old community of Weston, where as I say, through being engulfed by suburban sprawl and by the confrontation between high rises and single family homes, a great disruption has been brought on in what was a proud and positive community. This is a very important point. I stressed earlier that the government, in some cases, was taking the initiative and, in other cases, was allowing the other levels of government to become involved.

• (1600)

I think it is very important that when you go to the assistance of a particular community, you must leave them with the steering of the project. That is very much what has been done in this part of the legislation. Municipalities, in conjunction with the province, will decide what they want to do, but we will set down what we will make available to them. I am not just referring to the chance to fix up the plumbing in a house but to find out whether, for example, there is need for more parks, whether a small businessman in the area needs his corner store improved so that it may remain structurally sound in the years ahead, or whether there is need for more social facilities or day care centres. It is done as an entire project rather than street by street. The whole community works together to refurbish itself and regain the community pride which has been lost through urban sprawl and the development of the great megalopolis around.

In conclusion I should like, if I may, to sum up the areas in which I have found encouragement. When you tie together the various facets of Bill C-133 you find massive new directions, hundreds of millions of dollars being spent. There is experimentation in areas where we must admit we do not have much experience. We are saying that in urban areas we will do something about the high cost of land and at last try to take a large step toward bringing down the price which speculators have brought about in our urban communities. We are also saying that our established communities and old neighbourhoods will no longer be faced with the kind of blight and decay they have faced until now because of the greed of developers in recent years. They will have a chance to pull themselves together and, once more, be what they were 15, 20, 30 or even 40 years ago. We will assist people in home ownership and be of assistance—in fact there will even be grants in some cases—to people in the lower middle class and working class to make it possible for them to get a real chance to buy a place of their own.

We will also develop new communities, not ghettos but communities where transportation, communications and other services will be interrelated. We will direct our efforts toward delaying urban communities as well as troubled suburbia, the poor residents as well as the poor small businessmen. We will tie it all together and say: here is a new approach to the housing problem in Canada. Initially, we will spend money for the assembly of land, in

bringing down prices and for the protection of neighbourhoods. Later, having experimented our next step will be to go beyond that point and bring together a modern community which will reflect many of the profitable and beneficial things we had in the past and have lost because of the growing housing crisis.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, having listened to the minister who moved second reading of the bill before us today, and having read the bill itself, I wish I could have the confidence of the hon. member for York West (Mr. Fleming) that this bill will indeed bring down land prices in urban centres in Canada. On first reading, I must admit that I found the bill quite interesting. In many ways it seemed to be helpful in providing the tremendous relief which is needed in our urban centres with respect to housing. However, on second, third and fourth reading, and particularly having read the address given by the minister to the House when he introduced the bill, I must now admit that my optimism with respect to the bill has fallen off tremendously.

I feel that the bill does little more than fiddle with a huge problem in this country. The problem is the lack of available serviced lots in most urban centres, and in particular in the centre which I come from, namely, the Toronto region. Lot prices in our Toronto area have jumped almost fourfold since 1961, and home prices have approximately doubled in the same 12 year period. As a result of this unprecedented rise, Toronto house prices are now the highest on the continent, and I would emphasize "the continent", in that if we review house prices in cities such as St. Louis, Philadelphia, Dallas, Pittsburgh, New York, Houston, San Francisco, Detroit, Boston, Minneapolis, Washington, Chicago and Los Angeles, we will not find one average area that has house prices higher than at present in the Toronto area. In fact, there are two other areas that are ahead of all of those cities that I have listed. I am referring to Ottawa and Hamilton.

I feel that the federal government must take a tremendous responsibility for the plight of the average house owner in this country. For example, in 1961 the most expensive detached home that you could find on average in North America was in Los Angeles where the average price for a house was $19,247. The comparable average NHA financed Toronto price in that year was $17,368. In 1971, however, as I have stated, Toronto prices became the highest on the continent. In Toronto, the local price for a house at present—and I emphasize that I am referring now to the NHA financed houses—is $32,567. Ottawa comes second with $30,955; Hamilton third with $28,429, and Los Angeles is in the fourth spot with $27,950.

Mr. Stanbury: In what provinces are all the cities?

Mr. Stevens: Having pointed that out, it is important to remember that while those in charge of administering NHA and officials of CMHC like to create the impression that they are taking a tremendous amount of the mortgage financing in this country, the fact is that it is not that big a figure when you relate it to the entire mortgage financing in Canada. I do not have the 1972 figures but I refer to the fact that mortgage financing of a residential nature in Canada was $3.17 billion in 1971, and of that amount CMHC was responsible for $701 million. What I find most disappointing when you review the figures is the tremendous trend that there has been in the Canadian urban centres away from detached single owner houses to apartment dwelling. Certainly, this shows more vividly than perhaps anything else that land prices, soaring as they are, are virtually prohibiting the average person in Canada from the right, which I feel he should have, to own his own house.

Looking at those figures, for example, we find that in 1961 roughly the same number of single detached dwellings was financed as multiple dwellings in our urban centres. In 1971, however, the figure was more than two to one in favour of multiple dwellings.

But let me come back to the Toronto region, if I may. I have referred to the average NHA prices in that area, but that is only part of the story. Land prices in the last year in Toronto have jumped so sensationally that the average lot price in Toronto today is $22,000 and the average single detached house sells for $45,000 in the Toronto fringe area. I would again emphasize that the bulk of the houses in the Toronto area is not being financed by NHA but is being financed through the conventional lenders. For example, in the northern fringe, which includes the towns of Markham, Richmond Hill, Stouffville and Vaughan, of 989 deals only 155 were financed by NHA in 1971. The reason for this is that land prices and the cost of houses have risen so much in these urban areas that NHA financing is virtually ineffective in financing the home into which people want to move.

• (1610)

To be specific, until a few months ago the maximum loan you could get under NHA was $25,000; that has recently been raised to $30,000. There are few in the Toronto area who can afford to pay $45,000 for a house and put $15,000 down in cash. As a result, it is left mainly to conventional lenders to put out the mortgage funds that are required. As most members in this House, and certainly the minister, realize, the conventional lending rate is approximately one per cent higher than the NHA rate. That means that today, most home owners who are buying properties in the Toronto area are being committed to a 10 per cent rate on their mortgages unless they are able to get an NHA rate of about 9 per cent.

This sensational rise in home prices, and in serviced land in particular, affects my riding of York Simcoe which includes such towns as Aurora and Newmarket. For example, last weekend a realtor in the town of Aurora told me that local prices had jumped at least $5,000 in the past six to 12 months and he gave me an example. Last October he acted as agent when a 75 year old home in Aurora sold for $24,000. He said that frankly the house was overpriced when he sold it, but last week he sold the same house for $31,000, a $7,000 jump or 29 per cent in five months.

A Newmarket real estate agent told me that he bought a new home for himself in Newmarket last September for $29,800, which was NHA financed and today he is selling the same house for $37,900. He told me, "land price is the reason; as prices move up in Toronto they move up in Newmarket. A lot in town is now worth $15,000. That is still much lower than in Toronto." It is becoming more

and more evident that such price increases are the result of an inadequate supply of serviced land, not only in my area and not only in the Toronto centred region but in most of the urban areas across Canada.

The time has come, Mr. Speaker, for an all-out attack on such rising land costs. I believe every Canadian should be able to realistically anticipate that he will own his own home some day. Under the present Trudeau government, however, in the last ten years it has become harder and harder for Canadians to have this anticipation. When the hon. member for York West referred to a massive attack on this problem, I think he should have told the House where the massive attack is in Bill C-133.

I have mentioned that housing prices have risen by approximately 100 per cent in 12 years since 1961. As we know, every month we get new cost of living figures which indicate that the actual cost of living has increased by about 50 per cent since 1961. House prices in my area are double that. This rising price of housing, however, is only part of the tragedy and this is what I should like to emphasize today.

In 1961, the NHA mortgage on the average home in my area was $13,125 and in that year it carried a 6¾ per cent interest rate on a 25 year amortization; a man could anticipate paying off his entire debt and having a debt free home with a total outlay of $26,970. Today, however, his average mortgage principle would be nearly $30,000 with a current NHA interest rate of 9 per cent. Based on a 25 year amortization he would now be required to pay $74,000 to get a debt free home under the Trudeau government.

In 1961, a person could buy the home that I have referred to with a down payment of $4,243; today his down payment would be something in the neighbourhood of $7,000. Including financing, to own a home today which you hope to pay off within 25 years, requires an outlay of $81,000 compared to $31,000 in 1961. That is a $50,000 jump in 12 years, Mr. Speaker, a 260 per cent increase. There has to be a better answer, Mr. Speaker, and I suggest to this House that Bill C-133 is not that better answer.

Some hon. Members: Hear, hear!

Mr. Stevens: When the hon. minister introduced his bill I was dismayed to read his references to the problems that we have been touching upon, that is, serviced land. Obviously the minister is well aware that it is a problem but if we refer to *Hansard* we will find that virtually all he is saying is; "It is a problem. We intend to study it. We are going to have conferences and trilevel meetings and we hope that we can come up with solutions." That is not good enough, Mr. Speaker. This government has had ten years to come up with some concrete plans on what it intends to do to relieve the situation. For the hon. Minister to stand in this House with this fiddling bill and suggest that it is something that he hopes to get passed and in the meantime there will be conferences and studies in the future to solve the bigger problem, is the wrong order in my view.

We know, for example, that there will be approximately 13 million more people living in this country by the year 2000. In the United States there have been various proposals for coping with the new population that they expect to have in the same period. An interesting article by Robert S. DeVoy appears in the winter 1973 issue of *Real Estate Review*. The writer is an adviser to the Department of Housing and Urban Development in the United States and I would strongly recommend that the minister and his staff read this article. It discusses new communities and how they may be profitable. Interestingly, it points out:

> Capital investment in new community development probably approximates $15,000 per person for land, land improvements, utilities, streets, public facilities, housing, commercial and industrial facilities and related appliances, machinery, furniture and equipment (exclusive of automobiles and other vehicles). Land and buildings account for at least $10,000 of this total investment.

The remaining $5,000 is taken up literally by getting the land to a point where it may be built upon. If you relate that to the Canadian situation, it is not hard to see that, on average, between now and the year 2000, if we are to house properly the 13 million people by which our population will increase, it will be necessary to spend approximately $5,000 per person. This amount will simply look after the various transportation services and other services necessary to put people into the position where they can build on their lots. In Canada that means that we are contemplating an annual expenditure for such services of approximately $2.5 billion. I think it is high time that the federal government accepted this large responsibility and told the provincial and municipal governments how it will help them finance the $2.5 billion outlay which will be needed, on average, every year up to the year 2000 if we are to provide the various services needed to put lots in Canada in a serviced condition.

• (1620)

In this bill there is only one reference to the type of thing to which I refer. Amounts available for sewage treatment plants will be increased from $200 million to $300 million. That is an increase of $100 million. What a drop in the bucket, compared with the total needs of this country for solving this problem. We should bear in mind that the government, through its inactivity, has been creating a pressure on land values in this country that is resulting in virtually unbearable mortgage loads for most people. It is interesting to note that a psychiatrist from the University of Washington in Seattle has drawn up what he calls a stress scale. He has listed various items of stress that people must meet, and has devised an index which shows how the various stress components affect people. One of the lowest forms of stress, he points out, is having a mortgage of under $10,000. At that point in the hundred point stress scale the stress factor is 17. It is interesting to note that if the mortgage goes up to $30,000, the stress factor increases by more than three times. A mortgage that is greater than $30,000 represents one of the highest stresses that any man must cope with in his day-to-day life. Now we have $30,000 NHA mortgages on average houses.

The minister's speech on this bill, I feel, is perhaps more interesting in what he did not say than in what he said. You will find in the bill that there is reference to increasing the amount of mortgages that may be insured by the corporation and also to the amount of money the corporation may borrow. It is intended to increase the amount

that the corporation may borrow to $10 billion, and the amount of insurance to $19 billion.

Let the House consider why those two ceilings are being raised to those two figures. We have not been given the benefit of an up-to-date audited report with respect to CMHC. The last audited report that we have is for 1971. At that time the total amount borrowed from the government to finance CMHC operations was $5.6 billion. The total amount of insurance issued by the corporation was only $9.22 billion. I think it is relevant to note that this House is being asked to agree in principle to a bill, yet no one has shown us the courtesy of making an audited statement available with respect to the corporation with which this bill is concerned. I point out that the auditor's report for the corporation last year is dated February 17, 1972. Yet here we are, more than one year later, considering a bill of tremendous magnitude without an auditor's report. Bear in mind that CMHC is the largest Crown corporation with which parliament is concerned. Here, we are being asked to consider tremendous changes affecting this corporation, and we have not even been given an up-to-date statement.

Mr. Basford: That is why committee hearings are held.

Mr. Stevens: I hope the minister will provide some answers.

Mr. Basford: Well, that is why we hold committee hearings.

Mr. Stevens: Mr. Speaker, perhaps I may continue, or does the minister wish to make a new speech?

I should like now to touch on the suggestion raised in the bill to the effect that new communities are to be created. To that end, the government proposes to go into land banking. What I did not notice on my first reading of the minister's speech, but what I noticed subsequently and found most interesting, was this: the corporation now wishes to have the right to lease land, in addition to selling land. It was not until the minister spoke in the House that I realized the government's true intent. In introducing the bill he said, as recorded at page 2259 of *Hansard* for March 15:

> Measures will ensure that the public retains the benefit resulting from subsequent appreciation in value of land acquired for the communities. Hon. members will note that that is provided in the bill by leasing of the public land rather than by its sale which has invariably been the practice under land assembly schemes of the past.

We can see what is intended. The minister really intends to set up "Basford fiefdoms." He anticipates having people pay land rent for an indefinite period to the public treasury. It is not enough that the government has worked out the most devilish taxation process that the world has ever seen in recent times and inflicted it on Canadians; this government now proposes to cut the ground from under our feet. I suggest that this is a deliberate move, and one members of this House ought to look into, especially in committee. Why does the government feel it is necessary to take away the right to own land that people may wish to live on in a new community? Is this being done solely for the reasons stated by the minister? It is unfortunate that people are put into the position of debating the ancient question of leased property as opposed to freehold property.

Touching on the question of new communities, it is interesting to note that the bill anticipates land acquisition for transportation corridors. Yet, nowhere in the bill is there any reference to the transportation problems that face the urban areas of our country and will, presumably, face the new communities that may be created in future. There is no mystery about our transportation problems in urban centres. Everybody knows what ought to be done. Yet, for reasons totally unexplainable, the federal government in the one area where there is clearly no problem over jurisdiction and where it has real jurisdiction has failed to provide urban transit services in our urban centres.

• (1630)

In Toronto, and I refer to my area again, after months and months of studies, the federal government was finally presented with what was called a Toronto commuter rail study. That has been in their hands, certainly in the hands of the Minister of Transport (Mr. Marchand), since November of last year. The study comes to various conclusions. It points out that it is quite feasible to utilize the railroads that go in and out of Toronto for urban transit services. It sets out the costs of utilizing those services. It points out, for example, that in terms of capital requirements, to inaugurate new services on the lines running north, northwest and northeast from Toronto, it would cost for limited services, approximately $80 million and, for full services, $130 million. In terms of the estimated daily patronage of the full service, they point out that some 32,000 people would use those services, yet the Minister of State for Urban Affairs (Mr. Basford) is introducing a bill in this House without tackling the important matter of transportation. It is a subject that is of particular relevance to the federal authorities because it is one that is squarely under their jurisdiction.

I raise this question because sometimes we in Canada forget that we have one of the lowest per capita ratios with respect to land of any nation in the world. This country has tremendous land available, but it has to be serviced, because we must get people to the development. It is lack of foresight that puts us in the uncomfortable position where we find, that in an area such as Toronto, house prices and certainly lot prices are the highest on this continent. It need not be so. The federal government must truly attack this matter with a massive approach. They must go to the municipalities and provinces and indicate in terms of hundreds of millions of dollars the funds they will commit annually for the next 15 to 20 years to help service land then land, as it is serviced and, in particular, lot prices in urban centres would tumble tremendously. That is the most effective thing this federal government can do.

Second, the federal government must accept the responsibility of providing urban commuter services. They must go to the various municipal and provincial governments and offer to at least pay the capital cost of bringing such services into regular activity. That would open up a tremendous amount of land for servicing and development in areas such as Toronto and other urban areas of

Canada. It would certainly reduce the degree of lot price increases that have been taking place.

Third, the federal government must get rid of the red tape. It is high time that Central Mortgage and Housing Corporation stopped having requirements that they universally expect to be met from sea unto sea. Municipalities have different needs. If CMHC would accept the basic principle of financing, be it on the servicing side or the home ownership side, homes that are acceptable to the local community and stop drawing up their hard and fast rules as to what the house must have in terms of square footage, sewage, water facilities and so on, there would be a tremendous relief in the backlog of demand that now exists in this country.

It is time that CMHC got down to the grassroots, began diversifying and stopped this eternal centralization that seems to be the Ottawa answer to Canada's problems. Surely, when I can show the impact of 12 years, 1961 to 1973, of house prices in urban centres in Canada—

Mr. Stanbury: Ontario.

Mr. Stevens: —there can be no question but that CMHC is not doing the job it should be doing.

Mr. Basford: Twelve years of Conservative government in Ontario.

Mr. Stevens: It is 10 years that your government has been here, Mr. Minister. If the minister, his department and CMHC would simply trust the private sector a little more to produce, we would start getting some results.

I suggest that CMHC is an interesting contrast to the comparable company in the United States. There, the bulk of the financing is from the private sector and the corporation is owned by the private sector. The tendency in Ottawa is to have Crown corporations 100 per cent owned by the federal government and 100 per cent financed by the federal treasury, and that is bad. It should not be allowed to continue indiscriminately and indefinitely as the Trudeau government has allowed. Surely, the nation should expect more than Basford fiefdom's and Trudeau government fiddling with this whole question of housing.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Francis Fox (Argenteuil-Deux-Montagnes): Mr. Speaker, the act to amend the National Housing Act now under consideration is part of the lengthy progress of the Canadian society to carry out a housing policy consistent not only with the needs but also with the aspirations of our people.

A housing policy throws a lot of light on the government which promotes it. Is it a reforming government? Is it a government which is responsive to the various needs of the people? Is it a government which has drawn up its policy based on needs which could vary from an area to the other in that huge country? Is it a government which has secured the support as well as the willingness to act of other levels of government and the private sector, without which only a measure of success could be achieved?

[Mr. Stevens.]

[*English*]

The government's achievements in the field of housing and urban affairs since 1968 indicate the extent of the efforts made to achieve these objectives: From mid-1968 to the end of 1971, almost 750,000 housing starts were recorded. Forty per cent, or 315,000, were financed under the National Housing Act and 160,000 of these were, in turn, homes built for low income families thereby exceeding the total produced in all previous Canadian history. Nearly $11 billion was invested in housing during this period. Of this amount, $6.6 billion was injected under the NHA and 2.7 billion of that was direct federal funds loaned by CMHC.

[*Translation*]

Federal-provincial meetings about urban and housing matters were also quite successful. This has to be pointed our, however, since usually, only contentious cases in federal-provincial relations are referred to in his country.

Being aware as well of the gaps of the previous legislation, which failed to meet the ever growing needs of the Canadian society, the government has proposed the new measures which are now before us. The minister responsible for this legislation pointed out that these measures had earned the support of the provinces at the federal-provincial conference in January.

If we analyze the text that was put forward in the House, use can find that the minister proposes ten new measures or programs which will enable people to get a decent dwelling at a reasonable price.

Let us look briefly at these measures. The new communities program is designed to secure urban growth in ways that the unregulated spread of cities. We are all aware of what such growth of their urban centres has cost our American neighbours, and it is important to avoid their mistakes.

What about the land assembly program? Land prices undoubtedly represent one of the most costly features of housing. The government proposes an overall strategy designed to encourage provincial and municipal governments to become more active in getting land in order to meet future housing needs. The federal government is ready to spend some $100 million each year, for the next five years, towards public land assembly, including land for new communities.

Moreover, the government is thinking about the development of an assistance program for homeownership. I wish to speak at some length, Mr. Speaker, about this part of the amendments to the act. I suggest that it is difficult nowadays to state as principle that one should rather be a tenant than an owner. Some people may prefer, for worthwhile reasons, to be tenants rather than owners, or vice versa. The important thing is that our society make this choice a little more real, and insures to a larger number of people a choice in fact rather than in theory in this regard. And the bill which is now before the House represents a big step in that direction.

In his March 15 speech, the minister gave as an example that a wage-earner with two children and an annual income of some $7,500 would be able to purchase a $19,000 house by monthly payments of $137. It means that houses of $14,000 to $15,000 would be accessible to families with incomes lower than those the minister mentioned.

There are also programs for assistance to non-profit organizations, for co-operative housing assistance for neighbourhood improvement for rehabilitation of existing family housing for Indians living in reserves and a research and development program.

• (1640)

[*English*]

The last feature of these amendments, as outlined by the minister, covered the question of purchaser protection of homes. The amendments proposed will protect purchasers from the insolvency or bankruptcy of the contractor. In such cases, funds for the completion of houses would be advanced to the buyer through the mortgage insurance fund. The minister has stated that he expects to announce a national system of warranties for house buyers "before many months". Recent experience indicates that this is indeed a field parliament must look at closely. While I believe that protection against insolvency and bankruptcy are important I would like to see the federal government make strides to improve purchaser protection in areas which are clearly within its jurisdiction.

I realize that only 40 per cent of housing is financed through the National Housing Act and that housing is also subject to provincial legislation. The fact remains that builders are hungry for CMHC loans and that with its leverage CMHC ought to be in the forefront of exacting high building standards and eliminating shoddy workmanship which so often entails high maintenance costs and, at its worst, turns a dream house into a house of financial horror for the purchaser.

I recently read a booklet put out by CMHC called "What you should know about the inspection of your House". According to the booklet, and I quote:

> The inspection routines are designed to make sure that the complete house will be adequate security for the NHA mortgage loan. They are not intended to police builders or to provide comprehensive supervision of construction.

Mr. Speaker, I suggest that this kind of statement is not in keeping with the spirit of the legislation presently before this House. What we are interested in providing is decent housing at a reasonable cost. That is the prime objective, and if we reach that objective, NHA loans will be adequately protected. It is sufficient to say that the homeowner who has agreed to meet payments on a mortgage over a number of years, must be confident that a CMHC-inspected house means much more than that CMHC has looked after itself.

The question of purchaser protection can only be solved through interaction of provincial and federal governments. I am delighted that the minister proposes to pursue this matter with speed. But let me say that while additional legal safeguards for the purchaser will be most welcome, we all know the burden which legal action to enfore rights of this nature may place on low and middle income families. Strict enforcement through inspection by the appropriate authorities which would permit the identification of defects at an early stage would be a more satisfactory way of attacking this problem.

[*Translation*]

Which is to say, Mr. Speaker, that the minister's initiative in taking the first steps to protect the purchaser is a most laudable one.

It is easy to see how far our concept of a housing policy has evolved since 1968. Not so long ago, the role of the Central Mortgage and Housing Corporation was that of a banker. It was thought then that the way to solve Canada's housing problem was to build up a stock of available housing, rather haphazardly and without reference to specific needs. In the light of the changes that have taken place since 1968, it is hardly surprising that our total stock of new houses at reasonable prices for low income families is far bigger than similar stocks in the past. The initiatives that the minister has announced show how much progress the present government has made in this field.

A housing policy must offer stability, so that private enterprise, whose job is to build quality housing, can work in close collaboration with the three levels of government, whose job is to ensure that the new buildings go up in a healthy environment where Canadian families will be able to live the sort of life they want.

A housing policy must also have flexibility, if it is to adapt to our society's evolution. The measures that have been applied by the government since 1968 show that it has succeeded in combining these two essential elements of a sound housing policy.

[*English*]

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I take pleasure in rising to add my comments to the debate this afternoon. I shall again draw from my experience in the municipal field as I relate the act governing national housing, as well as the proposed amendments and the requirements of the National Building Code, to the needs of those in the care of municipal governments. In particular, I intend to refer to those areas which are sometimes deprived of special attention due to their geographic location. I am thinking of areas and municipalities, relatively small in size, located in the central and northern regions of our land.

At the outset, Mr. Speaker—and this may shock the hon. minister—I wish to say that even though the proposed amendments do not go nearly far enough to meet the needs and demands of Canada's population, they are most certainly a step in the right direction. Yes, Mr. Speaker, I wish to compliment the minister and his department. They have certainly recognized the need, and they have certainly been very imaginative in designing policies to fill that need.

However, there remain two areas of grave concern to me. Again, it is because of my involvement in municipal politics that I have learned to recognize certain shortcomings—the result of being frustrated so often in attempting to implement the national policies, such as they are. My first concern, then, is that we have not invented a workable solution to communicating to people in need of such programs and services the criteria for applying and qualifying.

• (1650)

I am particularly concerned with some of the programs designed for people of moderate means, and programs geared to people with no income of their own, people who are living on social assistance, old age pensioners and the physically handicapped. If it is ever our intention to find a solution to Canada's social crisis and to the problem of our poor, we must first of all find ways by which those people can provide for themselves a proper and comfortable home environment. So, I look to the minister of housing and urban affairs to take the first step. I make him responsible, in the first instance, for finding a solution to this problem which is crippling our nation—a situation where more than one-third of our people are living in huts or shacks, or at least in substandard conditions. Almost all of their other problems would solve themselves once a family who has lived on social assistance for two or three generations experiences the pleasure and satisfaction that comes with modern living. This is particularly true of the problems faced by children and young people who are being moved to a new environment.

Again I wish to say that the minister has in some areas taken this first step, but because of a breakdown in communications the services provided by his department do not find implementation. Now, why would that be, Mr. Speaker? At first glance it would seem that Central Mortgage and Housing Corporation and the National Housing Act are just other government services wherein all ink is used to print red tape and the bureaucrats' first concern is self-perpetuation. However, this is only partly true in the department of housing and urban affairs. This department has actually gone a long way to decentralize its services by making sure that its regional offices are made available to serve the need. It is, however, not enough just to maintain regional offices, because if we examine the work these offices are doing, we find that almost all effort is directed toward accommodating the construction industry, not people who are in need of housing.

I wonder whether or not as a result of this the cost of the average home has gone up by 100 per cent in the last 10 years. Price is usually the last thing the contractor discusses with his client. The builder makes all the financial arrangements with the corporation and charges whatever the traffic will bear, and as a result the corporation serves the demand of the greedy instead of the needy.

My solution to this problem is that the corporation must first of all find ways to convey to the people I referred to earlier what services are available, and must establish facilities and services that would help people in filling out and filing their application. Furthermore, it should become the department's responsibility to motivate people to improve their position by actually telling them in plain and simple language, and showing them with pictures if necessary, the benefits of better living.

We all know, of course, that those benefits would bring with them a vast improvement in areas where we face the dilemma of only 3 per cent of the type of people I have referred to earlier achieving full utilization of our school system. We would find a vast improvement in health care and in the infant mortality rate, since people would have a chance to practice better body hygiene in their homes. The benefits I am referring to would have a profound effect on the character building of our young people, who would not have to be ashamed any more of their social background. They would be given at best an equal chance because they would be experiencing, for the first time, pride of ownership and the satisfaction of personal achievement.

[Mr. Oberle.]

I realize that it would be physically impossible for the minister and his staff to fill this role without creating yet another bureaucratic monster which would eat up all the benefits, but I know from experience that there is a way by which we could achieve what I have talked about. To illustrate this, I wish to elaborate and explain to the minister, through you, Mr. Speaker, what I mean. As mayor of a small municipality in northern British Columbia, I set out to find a solution to the problems that were facing not only the native but also the poor white people in and within the fringe area of our town. That was also the dilemma facing the municipality that people living in unbelievable substandard conditions not only identified with our town and used all the services and social amenities, our schools and hospitals, but did not contribute anything to help us pay for these services. I organized a social improvement committee and set out to build some homes for these people on land which the provincial government had made available for the purpose.

In order to achieve maximum benefits—the minister knows the project I am talking about; he has contributed immensely to it—it was decided that the people for whom the homes were to be built should be involved during the planning and construction stages and that they should end up owning the homes. We took a survey of services and loans available from the two senior governments and found that there were actually sufficient services available not only to put all the applicants into new homes but to assist the town financially by broadening its tax base and by increasing the per capita contribution by the province. But the greatest benefits gained by this experiment, as it was called by CMHC, was not the dollar value, of course, but the fact that for some participating families the chain that kept them on welfare for three generations will be broken.

The project is only two years old and already we know that most of the children will not follow in their parents' footsteps. Teachers are telling me that there is already a profound change in their attitude towards school. The doctors are telling me that there is already a marked difference in these families health care, and some of the young men and women are making contributions to service clubs and community services so essential to the way of life in the north. We must consider that almost all of the participants in this project were on welfare, and most of them had a deplorable social background. We must further consider that the only special service employed was a direct liaison between senior officials of Central Mortgage and Housing Corporation and the people themselves, through the municipal council.

We asked the question why so many Canadians do not avail themselves of a proper home, a question I have asked many times. I asked that same question about a year ago while speaking to the annual conference of the Native Council of Canada in Ottawa. I asked why I was honoured to come to Ottawa to talk about what I thought

was just a practical solution to a complex problem. Why was I honoured to represent the municipal view in this very critical question? I asked what was going on in other areas of Canada, and the answer, of course, Mr. Speaker, was that nothing was happening. Or, at least, let me say not enough was happening.

I do not wish to imply that innovations are necessary in the National Housing Act. We must examine the possibility that no innovations are necessary. We must—

Mr. Deputy Speaker: Order. Perhaps I should now call it five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Social security—Suggested financial assistance to low income families to provide proper nutrition—Provision of guaranteed minimum income; the hon. member for Scarborough East (Mr. Stackhouse)—Penitentiaries—Failure of John Charron to return to Collins Bay following release on one day pass—Reconsideration of parole policy; the hon. member for Victoria (Mr. McKinnon)—Penitentiaries—William Head—Possible conversion to medium security institution—Request for consultation.

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

Mr. Reid: On a point of order, Mr. Speaker, following the usual consultations I think there would be unanimous agreement to proceed directly to private members' notice of motion No. 15, standing in the name of the hon. member for Moose Jaw.

Mr. Deputy Speaker: Is it agreed that the house proceed to the consideration of notice of motion No. 15, standing in the name of the hon. member for Moose Jaw?

Some hon. Members: Agreed.

• (1700)

PRIVATE MEMBERS' MOTIONS

CANADA PENSION PLAN

SUGGESTED AMENDMENT REGARDING CONTRIBUTIONS BY FARMERS

Mr. Doug Neil (Moose Jaw) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Canada Pension Plan Act so as to allow farmers the option to make Canada Pension Plan contributions regardless of their net income.

Mr. Speaker, I am pleased to have the opportunity this afternoon of speaking on a motion I submitted to the House on January 12. The motion reads as follows:

That, in the opinion of this House, the government should consider the advisability of amending the Canada Pension Plan Act so as to allow farmers the option to make Canada Pension Plan contributions regardless of their net income.

The subject matter of this motion is of vital concern not only to the farmers of western Canada but to farmers throughout the whole country, and anyone who is involved in the preparation of farmers' income tax returns, particularly in western Canada, will tell you that it is almost an annual point of discussion when taking instructions for the preparation of their income tax returns. Farmers' incomes are subject to many variables. They are at the complete mercy of mother nature, drought, hail, frost and floods can minimize or eliminate farm production in any given year. On the other hand, mother nature can be kind, with production unbelievably high.

A farmer's income depends on the international market, and in years of plenty in other grain producing countries he finds the price of his product very low, whereas if other grain producing countries have experienced reduction in production the farmer finds the price of his product very high. Whether he receives the high price for his product, of course, is dependent on the policy of the government or the wheat board in entering into contracts, either short or long-term, with importing countries throughout the world. The result is that a farmer does not know from year to year what his income will be, and he has many years with no net income and other years in which his net income is very high.

For many years under the Income Tax Act there has been a provision allowing a farmer to average his income over a five-year period. I would suggest that this is a very sound policy, one which has the effect of modifying the tax inequity which exists where there is a wide fluctuation in income. I do not know how many members are familiar with the method employed in determining the average income, but I should like to give a brief explanation. The averaging period consists of the year of averaging and the four immediately preceding years for which the farmer has filed income tax returns on time. The averaging period cannot include a year that was included in a previous averaging period and, if the farmer did not file his return on time for a particular year, or if he was not involved actively in farming or fishing in one of the years of averaging, he can use five of the six years, including the years of averaging to determine his average net income.

Having determined the five years which can be used for the averaging of income, the result is divided by five. By deducting the personal exemptions for the year, the result becomes the average taxable income, and the tax for each year is determined by using the tables for each of the particular years. Quite often, with the wide variation in income, you find a situation in which a farmer has for three or four years had no net income, and for one or two years has had a very high net income. The result is, of course, that he pays no tax in the no net income years, and

there is no Canadian Pension Plan contribution made at that time. In the year or years when the farmer has a taxable income, usually that income has been very high and he pays tax at a high rate. Of course, he pays Canada Pension Plan contributions at the maximum rate in those years.

By the process of averaging, it quite frequently turns out that the taxpayer is taxable in each of the five years and, on the averaging form, the tax for each of the five years is based on the rates in existence for that particular taxation year. This results in a refund of tax. However, there is no provision under the regulations or the act whereby the taxpayer is allowed to make a Canada Pension contribution for the three or four years in which he was not initially taxable, but in which, under the averaging provision, he becomes taxable. As a consequence, many farmers over the years have been making Canada Pension contributions in maximum amounts in those years when they were taxable and no contributions in the years when they had no taxable income, despite the fact that their average annual income would require them to make contributions. This has had a drastic effect on the amount of Canada Pension Plan for which the farmer will be eligible on retirement.

The Canada Pension Plan was adopted in the 1964-65 session of parliament, and my understanding is that the purpose of the act was and is to provide an actuarially sound plan for citizens of Canada. Most employees in Canada who are working today for wages and salaries have been making regular contributions over the years to this plan and will, on retirement, be eligible for the maximum, or near maximum, benefit under the plan. In addition, the large majority of employees on salaries and wages participate in private pension plans contributed to by both the employee and the employer. This will give them a monthly pension on retirement in addition to the Canada Pension Plan benefits.

It might be argued that a farmer is entitled to provide for his old age by contributing to a registered retirement savings plan on his own, and that he is entitled to deduct the amount of the contributions, within limits, from his income in order to determine the amount of tax payable. I would suggest, however, that the farmer is in a very unusual situation in that, in those years when he has no net income he does not have the necessary cash to take advantage of the registered retirement pension plan scheme and, therefore, his contributions are of an erratic nature. This does not permit him to provide a stabilized retirement plan. It should be pointed out as well that a farmer, as well as other self-employed persons, contributes double to the Canada Pension Plan what a person on wages or salary contributes, because as the plan exists at the present time an employee pays one-half of the necessary contributions while his employer pays the other half.

• (1710)

There are two means of solving the problem; one would be for a farmer who averages his income to make contributions to the Canada Pension Plan based on his average net income for each year. This would be a retroactive payment and could be adjusted by charging, in addition to the amount calculated, interest for the period from the time when he should have made the contribution to the date of making same at the rates that the plan investments are earning during the period. The result, however, of basing the contribution on the average net income would mean that a farmer would not necessarily be able to make the maximum contribution.

The more reasonable, and I would suggest acceptable method, would be to allow a farmer, regardless of his net income, to elect to pay at his discretion, any portion of or the maximum amount allowed under the act as a contribution in any year. The effect of this would be that the farmer would be able on retirement, to receive Canada Pension Plan benefits at the maximum rate. If as has been stated in previous debates, the Canada Pension Plan is actuarially sound, then I would submit that the farmer is not being subsidized by the Canadian taxpayer, but in effect is on his own, participating in a pension plan which will enable him to live in dignity upon retirement.

Mr. Speaker, we have been moving over the years towards a welfare state, and this has caused me a great deal of anxiety and concern. Our great country was built on the concept of free enterprise and hard work. The right of an individual through ambition and initiative to provide not only for his old age but to make provision for his wife and family is a basic right. Once this initiative and ambition is destroyed—and I am suggesting to you, Mr. Speaker, that this is what is happening—we will end up in a situation where there will be a slowing down of our economy, for if the state is to take care of a person from the cradle to the grave, and if there is a penalty for initiative and hard work, we will destroy the very thing upon which our great country was built. I am not suggesting that welfare schemes are not necessary; they are necessary, but only for the aged and for the physically handicapped and as a temporary measure for those who are unable to find employment. It is the responsibility of government to develop policies and institute programs which will enable all able-bodied persons to be gainfully employed, to encourage our citizens and to teach them that the work ethic is important.

The farmer of Canada does not want something for nothing. He wants to be able to take care of himself and his family on his own initiative. By allowing a farmer to elect to make contributions to the Canada Pension Plan regardless of his net income—and this applies, I would suggest, equally to all other self-employed persons, although I have not included them in my motion—he is making a contribution to an actuarially sound plan and providing a pension of his own which will assist him in his twilight years, which should be years of comfort, satisfaction and enjoyment. Mr. Speaker, I would ask this House to give full support to my motion.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is my pleasure to rise on the motion cf the hon. member for Moose Jaw (Mr. Neil). This motion is not new since several official representations have been made in the past to the government in this connection by agricultural associations. The Canada Pension Plan advisory board has examined a proposition of this nature at the time of its semi-annual meeting, at the beginning of October 1972, and will study it again when it will meet in April or May 1973. Moreover,

some people have approached the government about the possibility of voluntary payments, an aspect which the government studied in depth. It will also be noted that Bill C-115 introduced on January 12, 1973 seeks to amend the Canada Pension Plan so as to permit housewives to make voluntary contributions.

As for fair treatment of farmers and other workers I would be glad to see the farmers meet this new challenge to its maximum.

Although the motion is partly worded "so as to allow farmers the option to make Canada Pension Plan contributions regardless of their net income" it is directly connected to two further basic questions: the right of people to contribute voluntarily to the Canada Pension Plan and the right of those people to determine their average earnings for the purpose of calculating their annual earnings which are the basis of the contributions to the Canada Pension Plan.

I deliberately use the word "people" in this context because it would be unfair if some provisions of the plan covered only farmers and excluded self-employed people or people whose only earnings are wages or salaries.

Il farmers are allowed to pay voluntary contributions for years during which they earn no income, why should the same right not be granted to restaurant owners and other businessmen? If this right is granted to farmers and other self-employed people, what about salaried people who are unemployed all year round and get no earnings? If these groups are given the right to pay voluntary contributions, what about the housewife who left the work force for many years to devote her whole time to the very important task of raising children?

In all fairness, Mr. Speaker, if any group is given the right to pay voluntary contributions, this right should certainly be granted to all Canadians. The same considerations apply to the principle of averaging earnings in computing contributions to the Canada Pension Plan. Many self-employed and salaried people earned income that varied as much over the years as farm incomes. If we allowed farmers to establish their average earnings for the purpose of the Canada Pension Plan, we should honestly entitle all Canadians to do the same.

• (1720)

Having examined those concepts of basic justice, we can now consider the two basic principles deriving from that motion: the right to pay voluntary contributions to the Canada Pension Plan and the right to establish the average earnings for the purpose of that Plan. However, before dealing with the principle concerning voluntary contributions, it would be suitable I believe to summarize the purpose of the Canada Pension Plan and the relationship between that plan and other plans designed to ensure retired people income security. The Canada Pension Plan's first object is to provide all Canadians with retirement benefits and survivor's benefits related to earnings. The plan is especially designed so that Canadians who are unable to benefit from private plans may, during their working years, pay their contributions in order to get a retirement pension based on their earnings during those working years.

The plan's basic principle is that benefits and contributions should be based on annual earnings up to a certain yearly maximum.

As regards the link between the plan and other income security programs, let us not forget that the Canada Pension Plan is but one of the numerous retirement income security plans and should be considered as such. The universal old age pension plan provides for a basic income to all Canadians over 65. The guaranteed income supplement also provides an income for people over 65 who were unable to contribute to a retirement fund, either because of inadequate earnings during their working years or because there was no private pension plan to which they could contribute. The Canada Assistance Plan provides for additional assistance to people whose needs are such that old age pension and guaranteed income supplement are inadequate. It should be noted that benefits paid under these three programs are not related to the income earned by an individual during his working life. The Canada Pension Plan is one of the components of the overall retired persons income security program particularly designed to ensure pension benefits based on the income earned by an individual during his working life.

Since the Canada Pension Plan has been explicitly designed to be related to gains and considering the role it plays in the overall system of retired persons income security, allowing payment of voluntary contributions would constitute a considerable deviation, not only from the fundmental principle of the Canada Pension Plan but also from the general program of income security for older people.

As for voluntary contributions, it is important to understand that the Canada Pension Plan is not an "entirely financed" retirement savings plan. The precise formula used for determining the pensions is somewhat complicated but essentially pensions are linked to maximum income giving a right to a pension at the time of retirement by the average ratio between an individual's annual earnings and his maximum annual income giving a right to a pension. In general the projected value of the life pension under the Canada Pension Plan for an individual at the time of retirement exceeds the value of his contributions plus the compound interest. In fact, the present labour force continually subsidizes the pensions of former members of the labour force who are retired. The amount of these subsidies depends essentially on the time during which a retired person was part of the labour force and on the amount of his earnings up to the annual maximum. To allow voluntary contributions would mean authorizing people who never belonged to the labour force or did so for a short time during their active life to receive, on reaching 65 years, a pension subsidized by those who are working today. For instance, the older person whose support during life was an income derived from an inherited fortune could pay contributions and receive at 65 a pension subsidized by those who work. In other words, those who have enough revenues to pay voluntary contributions would benefit from the subsidy, whereas those with a very low income and unable to pay such contributions would not benefit from that subsidy. This would be contrary to all recognized standards of justice and to the intention of the Canada Pension Plan.

Mr. Speaker, let us note that the arguments put forward against the averaging principle are weak. If it is not allowed at the present time, it is above all for administrative reasons.

As I said before, the possiblility of allowing gains averaging for the purpose of the Canada Pension Plan has always been and is still being looked into by the government. However, it would be fairer to grant all Canadians having earned an income the right to averaging; that right can be only granted to an individual group.

We have just reviewed the Income Tax Act in order to allow all Canadian taxpayers to apply some kind of averaging of income for income tax purposes. Should the Canada Pension Plan be amended to allow some kind of averaging, the same right should also be granted to all Canadians with earnings eligible for pension purposes.

Mr. Speaker, some people have thoroughly examined the Canada Pension Plan, especially the question of averaging. Although a certain form of averaging would seem possible it could not be implemented today without multiplying the red tape and costs of the plan. In addition, after a thorough examination it is not evident that such a provision would benefit people, including farmers, on low or medium incomes.

Farmers, for example, are already averaging their incomes in their books of earnings. The level of benefits is based for all contributors on 85 per cent of the highest earnings received during the years during which they paid contributions. Allowing a new averaging of earnings for pension purposes would be equivalent to averaging an average, which could have adverse effects on pensions which will be paid out to many contributors on low or medium incomes.

In fact, the provision concerning averaging would be likely to benefit only those who receive a relatively high and fluctuating income. For example, it would allow people who stay in the labour force for a limited number of years and receive very high earnings during those years to pay contributions for those years during which they are not working. Not only would averaging benefit the rich but it would violate the principle under which pensions are related to annual earnings up to a certain ceiling.

In addition, Mr. Speaker, contributions to the Canada Pension Plan are calculated on wages and salaries or business income under the Income Tax Act.

Under the Income Tax Act a farmer can average his income for tax purposes. If he does, his total average income is calculated, not only from the annual gains and losses of his farm, but also any wage or salary he has earned, the profits and losses of any other enterprises of his as well as income from rent and investments. The whole legislative context would have to be changed and special regulations made for the purposes of the Canada Pension Plan to establish what part of the average income, for each year of the period from which the average was calculated, was income for which contributions were payable under the plan, since the gains record for the calculation of benefits is based on gains in respect of which contributions are paid.

[Mr. Corriveau.]

Neither this nor the many other administrative considerations mean that the government has rejected the idea of calculating averages. The matter will be looked into again within the next two years, during the second stage of revisions to the Canada Pension Plan. If detailed study should show some form of calculating averages to be both fair and administratively feasible, then of course the government would do all in its power, after consultation with the provinces, to amend the act accordingly and give farmers the possibility of paying contributions.

• (1730)

[*English*]

Mr. Neil (Moose Jaw): Mr. Speaker, would the hon. member entertain a question?

[*Translation*]

The Acting Speaker (Mr. Laniel): Does the hon. parliamentary secretary agree to answer a question?

Mr. Corriveau: Yes, Mr. Speaker.

[*English*]

Mr. Neil (Moose Jaw): The hon. member mentioned subsidization. Could he advise me whether the Canada Pension Plan is actuarially sound?

[*Translation*]

Mr. Corriveau: No, Mr. Speaker.

[*English*]

Mr. Bill Knight (Assiniboia): Mr. Speaker, referring to the answer given to the hon. member for Moose Jaw (Mr. Neil), I assume there is more money in that plan than they would ever get around to using, according to the last reports I saw. I will not pursue that matter with the parliamentary secretary. In view of the fact that the motion of my hon. friend is of some significance, I wish to deal with it though my professional instincts give me an answer contrary to the one given by the parliamentary secretary. There is considerable merit in the motion, Mr. Speaker. The parliamentary secretary mentioned a conference to be held in April, 1973, when this particular matter and others relative to the Canada Pension Plan will be discussed. I think the House should support the motion and pass it on to that conference.

I receive many letters from producers relating to the instability of their income and their problems in trying to contribute to this plan and use it as a retirement plan. Those of us who represent prairie areas often say that the only thing a producer has for his retirement is the investment in his land. The options are extremely restrictive in terms of other means of contributing toward his retirement.

The bill to establish the Canada Pension Plan was passed in 1965 and came into force on January 1, 1966. Since then, in the years, 1966, 1967 and 1968 western producers were in a position to contribute to the plan, but in the years 1969, 1970 and 1971 many who would normally have contributed while they were still working would have been cut off because they would not have had sufficient net income to necessitate filing a tax return. The parliamentary secretary pointed out the problem common to many groups who wish to contribute to the plan volun-

tarily whether or not they have sufficient income. The hon. member for Moose Jaw suggested a method by which the producer may be able to get around this problem by averaging his net income between the years 1965 and 1972.

If there is difficulty not only for the producer who wishes to contribute voluntarily to the Canada Pension Plan but for other groups such as housewives, there may be a need to consider revising it entirely to enable such people to participate. The Royal Commission on the Status of Women recommended that the housewife should be allowed to contribute. We know that the farm housewife is often actively engaged in the labour of the farm. I hope that the departments concerned, the Department of National Health and Welfare and the Department of Agriculture, can come up with a plan so that farmers and housewives—just taking these two examples—can contribute voluntarily to the Canada Pension Plan in order to obtain its benefits in their retirement years.

I was somewhat disturbed by the fears expressed by the hon. member for Moose Jaw concerning the onslaught of a welfare state. This program was established to protect producers and others in their retirement years. I do not consider it welfare; I consider it part of the type of scheme available to a person in a welfare state. The hon. member's motion would make the plan available to the producers of western Canada. However, somewhere between his philosophy and the motion, his logic has gone astray when he deals with the free enterprise system and all that goes with it.

If we are to go back to the free enterprise system we should abolish the Canada Pension Plan, the medicare plan such as we have in Saskatchewan, hospitalization, some equalization payments, unemployment insurance, etc., and go back to the dog eat dog attitude of Tory conservatism. I support the motion but I point out my concern regarding the very weak defence of the free enterprise system which no longer exists.

I am sure other hon. members wish to speak to the motion, Mr. Speaker, and I am sure that before six o'clock the government will allow it to come to a vote and pass. The subject could then be brought before the conference in April which the Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau) mentioned, where it could be discussed along with other changes to the Canada Pension Plan as they relate to housewives and other groups and the possibility that they could take part in the plan.

[*Translation*]

The Acting Speaker (Mr. Laniel): Does the hon. parliamentary secretary wish to ask a question?

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, could I answer the hon. member for Moose Jaw (Mr. Neil) because a moment ago I did not understand his question? I do not insist on answering his question but I would like to tell him, with reference to the question he asked, that some studies may have been done in this field but I did not examine them. That is what I wanted to tell the hon. member a moment ago.

The Acting Speaker (Mr. Laniel): I think the hon. parliamentary secretary gave the answer he could have given had he had the unanimous consent. Now I think we will listen to the next speaker, the hon. Parliamentary Secretary to the Minister of National Health and Welfare.

[*English*]

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, in my view, motion No. 15 proposed by the hon. member for Moose Jaw (Mr. Neil) is important and touches upon a subject of great concern not only to farmers but to many groups in our society, those working in small businesses, the self-employed, and so on. As the hon. member for Frontenac (Mr. Corriveau) so ably pointed out, the principle underlying the motion before the House is one that would have to be carried through to cover all these other people if we intend equity to prevail.

• (1740)

Speaking as the Parliamentary Secretary to the Minister of National Health and Welfare who is to some degree involved in the question even though the Canada Pension Plan comes more under the responsibility of the Minister of Finance (Mr. Turner) than under the responsibility of my minister. Let me say that our department has certain responsibilities as they affect health and welfare and is concerned about this particular problem. The matter is being taken under active consideration.

May I point out to hon. members that this question cannot be resolved by the House alone. The Canada Pension Plan was entered into by agreement with the provinces and cannot be adjusted unless there is agreement by two-thirds of the provinces representing two-thirds of the population of Canada. That means that if there is to be a change along lines suggested by the hon. member—and apparently this kind of suggestion has come forward on previous occasions and has affected the involvement in the plan—of various groups in our society it would be necessary for agreement to be reached with the provinces.

As hon. members may recall, the Minister of National Health and Welfare (Mr. Lalonde) has indicated in this House on previous occasions that a federal-provincial conference of welfare ministers is to take place in Ottawa in April, and at that time the provincial ministers and federal Minister of National Health and Welfare will look at the entire problem of social security in Canada with the intention of relating these programs one to another in such a way that we shall obtain in an organized way maximum benefits for Canadians.

The provinces have been asked to come forward with model proposals for consideration by the federal government, and the federal government has indicated that it will come forward with model proposals on the matter of social security for consideration by the provinces. I understand that the whole question of the Canada Pension Plan will be discussed at that federal-provincial conference. If agreement is reached by all levels of government, then I believe and hope that some action will be forthcoming.

I should like to touch on one or two points which have been raised with respect to this question. They relate to assistance given by the federal government, sometimes

independently and at other times in concert with the provinces. There is a whole series of programs involving not only the aged but also other Canadians. I should like to talk about this for a moment.

One cannot consider the Canada Pension Plan in isolation; it is not the only piece of legislation that affects the elderly in Canada. As we know, the government's proposal for a universal pension of $100 per month is at the report stage and will soon be brought forward for third reading. In addition, there is the guaranteed income supplement. When you combine these two programs you will see that there is a minimum guaranteed income of $170 a month for single persons aged 65 and over, and $325 a month for married couples. That does not take into consideration the Canada Pension Plan. Those amounts are by no means small. The figure may be somewhat less than our elderly would like; it may be less than they deserve in view of their contribution to the well-being of Canada through the work they have done during their lives, but it is none the less significant and the benefit is valuable. Also, as far as I can ascertain from statistics, our benefits cannot be matched by those of any other country in the western world.

In our over-all review we will take into consideration not only the Canada Pension Plan, the old age security pension and guaranteed income supplement but the family allowance program or the FISP proposal that was brought forward in the last parliament under which we would pay allowances for children. As well, we shall consider youth allowances and welfare, which is administered by the municipalities but to which the federal government contributes 50 per cent, disability pensions, the Canada Assistance Plan and, as I mentioned before, the Canada Pension Plan. If we are to come up with a comprehensive program all these matters must be looked into and rationalized to make sure that every segment of our society is properly treated.

One comment in the remarks of the hon. member for Moose Jaw alarmed me. He suggested that no one in Canada should be on welfare except the aged, the temporarily unemployed and the handicapped. I do not want to put words into the hon. member's mouth, but that is how I understood his remarks and I think *Hansard* will substantiate the correctness of my interpretation. In my view, that is an oversimplication and does not cover many areas of serious concern inasmuch as the government must provide assistance to those in need.

Let me give a significant example that was not mentioned by the hon. member. Unmarried mothers need assistance from public revenues. Also, one could give the examples of widows and orphans. You could go on and on speaking about areas in which the government must enter the field in order to give assistance. We have given assistance in these fields in the past and will continue to do so despite anything the hon. member may have said about welfare programs. I think it is true that no one really wants to see a welfare state, in the sense that there may be abuses of welfare programs. Perhaps welfare is really not the right word to use. Nevertheless, it is clear that the government must accept its social responsibilities and for the common good intervene to help those in need. Regardless of the category the people concerned may fall into, this must be done.

[Mr. Cafik.]

Also, there are other programs which simply redistribute wealth. These are required so that wealth does not become overly centralized in the hands of a few. Anyone who looks at the question rationally will realize that this is really what income tax is all about. The government takes money in and redistributes it sometimes in a way that is better than that in which the money would have been distributed originally. The result is that larger numbers of citizens benefit from the over-all increase in the gross national product and in the wealth of the nation.

In conclusion, may I say that my department, as well as all departments of government, is concerned about the anomalies which have been created within social program structures. One of those anomalies affects the person who is self-employed, such as the farmer. Problems of averaging, and so on, must be considered. It is sometimes easy to state a problem but it is not so easy to find an equitable solution. The government is concerned about this problem and will be bringing it before the federal-provincial conference in April. I hope that the deliberations of that body will result in a better kind of program which will involve the whole social structure in Canada, so that we will minimize red tape and maximize benefits as well as cut down the excessive costs that might be involved in some of these programs which are often duplicates of others. This will require much co-operation and good will, not only on the part of members of this House but also by the provinces which must act in co-operation and in concert with the federal government.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the hon. member for Moose Jaw (Mr. Neil) who proposed this motion is to be commended for bringing it before us. However, I would take issue with the narrow way in which he has framed the problem. Its implications are far broader than he suggested. What he is really dealing with is not just a program involving farmers whose incomes fluctuate; he is also suggesting that people in other trades and occupations whose incomes fluctuate should come under the ambit of a motion such as this.

In addition, the matter is of concern to me inasmuch as it touches on the question brought forward by the hon. member for Selkirk (Mr. Rowland) which deals with the possibility of women who are not in the labour force also participating in the Canada Pension Plan. In addition, another group experiences difficulty with respect to the Canada Pension Plan, our native Indians. Under the provisions of the Canada Pension Plan legislation it is not possible for an Indian earning income on a reserve to pay into the Canada Pension Plan. If an Indian earns income other than on a reservation, he is permitted to contribute to the Canada Pension Plan from that income.

• (1750)

At the present time there is a distinction in the Income tax Act as to the way in which the income of an Indian is treated depending upon where it is earned. As collections for the Canada Pension Plan are basically administratively controlled by the Department of National Revenue, it was determined at the time of passage of the Canada

Pension Plan that Indians would remain outside the ambit of the plan for the purpose of benefit in respect of income earned on a reserve. This was not a conscious decision taken by the government alone; there were consultations with the various Indian organizations. It was determined that since the moneys were to be collected by the Department of National Revenue, the Indians paid no tax on income earned on an Indian reserve and therefore had no direct contact with the department on that matter; and since the Indians had come to no definite conclusion at that time, the decision was taken to eliminate from payment into the Canada Pension Plan fund contributions based on income earned on Indian reserves.

That situation is now in a phase of flux; the Indians are now beginning to re-examine their payments into various funds of this nature. I have received from band administrators in my constituency requests as to the possibility of having the act amended or the regulations changed to permit Indians in some cases, where they determine to make such contributions, to pay into the Canada Pension Plan fund the same as anybody else; that is, on income earned on a reserve. This problem is a glaring anomaly in the way in which the system has evolved over the past few years.

The matter specifically raised by the hon. member for Moose Jaw has been dealt with somewhat extensively in the proceedings of the advisory board which, as members know, deals with both the federal and provincial governments. The hon. member for Assiniboia (Mr. Knight) said that he thought there was in the fund a considerable amount of money now, without there having to be any increase in the amount payable by those who now pay into it. In point of fact, the Canada Pension Plan as passed by the House of Commons is distinct from the plan that was originally proposed to the House of Commons by the government. The consequence is that the plan we now have is largely designed to finance the ongoing activities of the provincial governments and to provide a pension plan for those who have paid into it.

The Canada Pension Plan as currently set up by legislation is based upon those who are now in the labour force providing a portion of that pension regardless of the amount which people have paid into it in the past. In essence, the current labour force is perpetually subsidizing the pension of members of the labour force who are now retired and collecting pensions.

Mr. Knowles (Winnipeg North Centre): Only because the provinces and municipalities want cheap money.

Mr. Reid: The hon. member for Winnipeg North Centre (Mr. Knowles) says it is only because the provinces and municipalities want cheap money. I think that is a very legitimate point. However, I remind the hon. member that during the debate when the Canada Pension Plan was being set up the government made tremendous change to the original plan in order to accomplish this very end. It is an integral part of the Canada Pension Plan to provide the provinces with this kind of cheap money.

Since that principle was accepted by the House of Commons at that time and it was a minority House of Commons—we ended up with the situation where the Canada Pension Plan at the present time is not self-funding. It is basically used to do two things—I agree with the hon. member for Winnipeg North Centre that in some respects they are mutually exclusive—that is, to provide a source of funds to the municipalities and the provinces as well as to pay pensions to those who have paid into the plan. In order to make it work, a portion of the moneys which people in the work force pay into the Canada Pension Plan subsidizes the pensions of those who are retired and are now collecting benefits.

The amount of this subsidy depends, essentially, upon the degree of labour force attachment that a pensioner had during his working life and upon his level of contribution up to the yearly maximum. This principle is embedded in the pension plan. However, over the past few years there have been a number of projections as to when the Canada Pension Plan will run into difficulty because of the way in which the funds are administered by the provinces and the commitment of the fund to provide pensions for persons now in the labour force. The expectation is that some time in the 1980s the amount of money paid into the fund by those in the labour force will be insufficient to meet the obligations which the fund will have contracted.

With regard to the proposition put forward by the hon. member for Moose Jaw, providing for increases to permit people to average their incomes has been discussed by the advisory committee, particularly during its last meeting from September 29 to October 1, 1972. The matter was extensively discussed at that time. I have before me the minutes of that meeting. It goes into some detail, with pros and cons in respect of the matter.

I see it is six o'clock, Mr. Speaker.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

NATIONAL HOUSING ACT

PROVISIONS RESPECTING NEIGHBOURHOOD IMPROVEMENT, REHABILITATION, OWNERSHIP, NEW COMMUNITIES, ETC.

The House resumed consideration of the motion of Mr. Basford that Bill C-133, to amend the National Housing Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, before five o'clock I was encouraging the minister by telling him about the projects and services which he and

his department had innovated which were adequate to solve the problems of many Canadians today in the field of housing. I told him of a wonderful experience to which he and I contributed in developing a project leading to the rehabilitation of a great many people, thanks to our success in placing them in proper homes. I do not wish to imply that innovations to the National Housing Act are unnecessary. We must examine the possibility of lower interest rates or of loans without interest in particular cases. Such policies would repay our investment in human resources one hundred times over.

What I am saying is that the minister and his department must find a way to enter into direct partnership with municipal officials and regional governments. They must decentralize to a greater extent and become more flexible so as to meet local needs which are so different as one travels from one area of our land to another. I do not find the solution to this challenge in the amendments now before us. Nor do the amendments make it easier for people living outside organized municipalities, on farms or small country holdings, and motivate such people to improve their position.

There is another area of concern to me. It is that because of antiquated regulations imposed by the national building code no significant changes or innovations have been made in conventional construction methods, particularly in the private home sector. I know personally of a number of projects carried out by companies which have concerned themselves with this task and have invented new methods of constructing private homes or family dwellings making use of new materials. While I am not proposing that CMHC find ways in which to finance the construction of igloos in the Arctic, I suggest that in some areas which are particularly remote or where climatic conditions are especially severe, we depart from conventional plans to allow the utilization of materials which may be more readily available than others, and that we relax the somewhat stringent regulations presently governing loans. This would allow people living in substandard housing to improve their situation in a simpler, perhaps, but yet more practical way than is presently possible. The amendments provide for funds being made available to carry out research and experimentation. This, one might think, would constitute a partial solution to the present unwillingness to depart from conventional housing methods. On the other hand, Mr. Speaker, the very fact that these funds are to be provided reminds us that existing programs such as ARDA and or PAIT have failed to produce the desired effect.

How can the minister be sure that this time Canadian industry, firms in the private sector, will take advantage of the new situation? Can he assure them of access to the fund? problem may be unchanged. The minister and his staff will continue to experience frustration because it will be impossible for them to communicate with the very people who could really propose meaningful innovations. They might, after all, live in Flin Flon, or Taylor, B.C., or Fort Nelson, 500 miles from the nearest CMHC office; and the officer who visits them from the office in Prince George is likely to be an inspector who is already three weeks late and two weeks behind time in his schedule of visits to other places. He has no authority to examine new ideas which someone might wish to incorporate in the building of his house, and no interest in facilitating an application for a loan.

I wonder whether this is not the real reason why 85 per cent of our population is living in concrete jungles instead of participating in a life style almost unique, now, in Canada. It would be interesting to examine what our neighbours to the west are doing; how they are developing their northland and what incentives are provided for people who share in the excitement of a developing frontier. In Canada, there are no incentives for people living up north. There are only penalties.

Particularly in the field of housing one must pay a severe penalty for a pioneer since programs are designed to solve the problems of urban centres and cannot be applied to rural situations. In addition, of course, there are special needs and requirements in the north, and conventional construction methods leave much to be desired. The answer is simple. The minister already knows the answer because he has made it his business to talk to municipal leaders and exchange ideas with them. We had an opportunity today to talk to mayors and reeves from all across Canada. They certainly expressed the ideas which are contained in my speech today, though the speech was written long before I met the mayors. Surely someone must have expressed to the minister the frustrations that we in the municipal field have suffered in trying to implement services, such as they are.

• (2010)

The answer is the establishment of a direct link or partnership between the corporation and the municipal council. Every municipal or regional council in Canada must make housing its top priority. The size of the municipality does not matter. Even though the problems are different, the priority nevertheless exists. Every council in Canada has a housing committee, and every council in Canada would be prepared to establish a housing authority under Central Mortgage and Housing Corporation, may I say at no cost to CMHC. This housing authority would deal with local problems, implement the act to serve local needs, engage pre-existing services to complement the services established by CMHC, such as the homeowners assistance plan, the community development program, land assembly, public housing, and so on. In other words, Mr. Speaker, we would be involving local people in order to solve local problems and meet the needs in the areas I have described. This is the only way we could do this. People just do not have the time to discover how to slice through all the red tape, particularly if they have two bureaucratic monsters to deal with.

Why, then, are we not implementing what is truly a national housing act? Certainly it is not one now. Provincial governments have found ways and means to keep civil servants busy inventing all kinds of stupid changes in regulations. A perfect example of this is now being demonstrated in British Columbia, where a provincial administration has misinterpreted the word "socialism" to the point where their legislation is in conflict with the Canadian Bill of Rights. They are planning a freeze on all land development in the province because they know best how it should be developed. Would the minister ever find his way through that mess in trying to implement a com-

munity development program, a land bank or land assembly program?

If, Mr. Speaker, we are seriously concerned to implement what is truly a national housing act, it will only be possible to do so by involving people in front of the firing line, municipal governments and, if need be, even service organizations—those for whom the act was designed in the first place. I know all the great arguments that are made about the rights of provincial governments to deal with municipalities and about how they are in conflict with the law that prevails throughout the land. But we must accept a challenge to change the laws if they are not consonant with what we are trying to do. I suggest we could do away with cumbersome regional administration and set up an administration that instead of dealing with contractors would deal with all people through their elected representatives.

I must admit, however, Mr. Speaker, that there are two hitches in my plan which would have to be overcome. Firstly, we would have to make the act even more flexible so it could be implemented to meet an even greater variety of regional and local needs. Secondly, the minister will be challenged to find four times the amount of money that his budget now calls for. If he is to implement his housing policies, the money allotted to him through the budget will not be nearly enough.

It almost seems to me that this is the real reason the act is so cumbersome and the mountains of red tape are so high. If we are to find a practical solution to Canada's housing crisis, the minister's budget is going to look like the estimates for the Unemployment Insurance Commission. This is why I believe we are not really serious about having a national housing act. With all the other luxuries to which we are accustomed, we simply cannot afford to have all Canadians living in decent homes.

I suggest this is also a reason why the government has not removed the 11 per cent sales tax on building materials. We do not have the guts to face the challenge that this would present. Meanwhile, social and human costs remain staggering. Yet another generation of people will walk in the footsteps of their parents, having been born in the gutter or under a stump, wasting their lives by being a burden to our society before dying in the same place.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I share with my colleague the hon. member for Oshawa-Whitby (Mr. Broadbent) the view that the housing crisis facing many Canadians today, both as individuals and as members of families, is due to many years of accumulated neglect. This crisis is based on the fact that financial aid has been available through legislation to assist in providing housing for those who need it the least—the upper 10 per cent or perhaps, at best, the upper 25 per cent of the income brackets in Canada.

Canadian housing performance as it affects average and low-income Canadians has lagged behind that of many other industrial countries throughout the world during years of both Liberal and Conservative administrations. I appreciate and would underline the point made by my colleagues the hon. member for Oshawa-Whitby and the hon. member for Broadview (Mr. Gilbert) that the success of the various programs included in Bill C-133 will depend upon the government making adequate funds available to finance these various programs, the passage of adequate regulations filling in the details of the act, which, as so often, are vague, and lastly upon vigorous administration.

Nevertheless, I want to speak primarily about two aspects of this bill which I welcome and commend, a bill which I will not only support on second reading but, subject to suitable amendments, will seek to get enacted into law as soon as possible. I refer to the provisions relating to the rehabilitation of existing housing as distinct from the building of new housing. Both the rehabilitation of existing housing and the building of new houses are important, but the former has been neglected for a long time, as is well documented in the so-called Dennis report. I notice that in its submission to the government today, the Canadian Federation of Mayors and Municipalities, representing as it does many municipalities across Canada, said that very little money has been made available for the purchase, rehabilitation or repair of existing housing, or for the extension of services to raw land.

Secondly, I wish to refer to the provisions for assisting the financing of co-operative housing, which I welcome. As far as the rehabilitation of existing housing is concerned, perhaps I may be permitted to say that ever since I was elected to this House this has been a cause I have had very much at heart and have urged in the House from time to time, partly because it is common sense to preserve an existing stock of housing and to spend, say, $3,000 or $4,000 on preserving an existing unit adequately serviced rather than spend $15,000 to $20,000 building a new house in an area where you must also provide additional services. Another reason I have always supported the financing of the rehabilitation of existing housing is that it fits in with the needs of those in my own constituency, which I shall discuss more fully later.

• (2020)

My constituency is a built-up residential area. It has many attractions and very good existing services. It is not an area fit for the bulldozer or for residential programs such as have been conceived in the past. However, the moderate and low-income people who live in the area need assistance in financing the maintenance and development as well as the renewal of their present housing.

Public funds available for grants and loans for the rehabilitation and improvement of housing are a most necessary addition to any improvement program. If we are to achieve the goal of access to decent housing for all Canadians which the minister and all of us proclaim, we cannot leave existing poor housing—and it is estimated there are at least one million houses which can be defined in this way—until this housing has become intolerable and must be totally replaced at very great expense. I join with the metro Toronto housing task force which recently made a submission to the minister in expressing my pleasure that the federal contribution is not contingent upon a matching provincial contribution, as was the case in the previous legislation introduced in this House. This is a highly desirable aspect.

I presume this change was made as a result of consultation with the provinces and other bodies concerned with housing. However, I agree with the task force of metro Toronto that the level of funding will be insufficient for the purpose which must be accomplished. I urge an early review and evaluation of the effectiveness of the program. Along with the task force, I suggest that the amount of a loan for rehabilitation which can be made should be increased from $2,000 to $4,000 for low-income families.

I also commend to the minister the view of the task force that to achieve residential rehabilitation, traditional contracting arrangements are inappropriate. I join in their recommendations that funding be provided for the development of neighbourhood work groups which can work on a salaried basis. I also strongly urge upon the minister the recommendation that landlords benefiting from the grants and loans program be subject to rent restraint agreements for a stated minimum period of time.

I hope that the neighbourhood improvement program will be applicable in certain situations where the property is beyond designated areas. It has been suggested that the very fact of the designation tends to cast a blot on the area so designated. I also call to the minister's attention the recommendation in the task force report that there be provision for grants and loans for conversion of larger residences for multiple use. Conversions frequently represent the most economical use of larger buildings; therefore, this is an oversight in the legislation which should be remedied.

I would also call attention to the brief of the Co-operative Housing Foundation of Ottawa, and the Ontario Habitat Foundation with its headquarters in Toronto to which the minister has already referred. I must in fairness repeat what the minister has said, that the experienced authors of that submission believe the bill to be an enormous advance over the present National Housing Act provisions so far as they affect co-operatives. I agree with that. Nevertheless, let me remind the minister that the brief proposes further amendments and I support the amendments they propose.

Dealing with rehabilitation, the brief says that the rehabilitation program will be of significant assistance in many Canadian municipalities. It goes on to urge that two shortcomings should be overcome. The first is that the program should be extended to include rehabilitation which provides housing for single persons. Secondly, the program should provide explicitly, as I have mentioned already, for the conversion of larger houses to a number of smaller dwelling units. I hope the minister will introduce amendments to this effect.

I now turn to the question of co-operative housing. As the co-operative housing brief puts it, the co-operative process would do more than simply provide housing. It would, as well, strengthen the participatory fabric of our urban centres. The legislation, subject to certain amendments and improvements, would put co-operatives and many other non-profit organizations into a position where they could provide significant amounts of housing to Canadian families and individuals. To put the matter in the language of the metro task force submission to which I have already referred, an important new direction in housing policy in the present legislation is the encouragement of non-profit and co-operative housing associations. This thrust should be welcomed because the non-profit sector can make a significant contribution to easing the housing situation for many individuals and families.

Co-operative housing provides a form of participation and management that has been proven to be most productive in motivating people to plan for and paarticipate in programs and services. The wording of the act must be carefully reviewed to ensure that non-profit co-operatives or par value co-operatives will be eligible for non-profit funding. Those who have followed housing policies in other countries will know the enormous contribution made to housing and indeed to the whole social fabric by co-operative housing. It is high time Canada sought to catch up with other developed and civilized countries in this field. The housing co-operatives must, therefore, expand and multiply and the legislation should be clear that it includes so-called par value continuing housing co-operatives.

As stated in the Ontario Habitat Foundation brief, par value co-operatives are an extremely important vehicle for meeting the housing needs of a broad spectrum of low and moderate-income families and individuals. This housing stock provides the only housing accommodation for families which is not operated for private profit or whose cost is not built up by successive changes in occupancy. Over the long term this could have a significant impact upon Canadian housing. The provisions of the present act provide that a non-profit corporation must be constituted exclusively for charitable purposes. I say to the minister that, surely, as a lawyer he knows the extreme difficulties in respect of what are charitable purposes. I suggest that provision should be changed in order to ensure that all non-profit co-operatives are included in the definition.

Mr. Basford: I made that clear in my speech.

Mr. Brewin: Then I missed it. I am glad to hear this. We welcome, as do others interested in this field, the provision of start-up grants to enable non-profit organizations to undertake preliminary development work on a project. Many groups which have not had access to such funds are being severely handicapped. There should be express provision in the legislation for the subsidization of residents of non-profit and co-operative housing. This, of course, would expand the area in which co-operatives could serve the housing needs of the people of Canada.

I would now like to refer to a housing development in my own constituency which can benefit from the proposed legislation and which illustrates the value of individual and co-operative enterprise. I do not wish to sound as if I were speaking in the debate on the Speech from the Throne, but what I am saying is relevant to this subject. My constituency of Greenwood corresponds roughly to ward 9 in the city of Toronto. It is a residential area with beautiful, tree-lined streets providing a fine setting for a variety of homes. There is a real diversity of incomes, rentals, age groups and family size.

The people in my constituency have shown an initiative in developing local organizations to meet their needs. They have formed an organization called ForWard 9 Citizens' Association. They publish a ward 9 community news sheet. They established a waterfront task force which

produced a people's guide to the waterfront. The set up a housing task force comprised of architects, businessmen, university professors and contractors from the area which evolved into the ForWard 9 Community Development Co-operative. During the summer of 1971 Opportunities for Youth funding was made available to ForWard 9. Nine students carried out research for the task forces which had been established in the spring.

• (2030)

The housing task force indicated trends which could seriously alter the economic and social character of the entire area. I am mentioning this because I am sure there are many other constituencies in exactly the same situation. It is estimated that some 50 per cent of the families in ward 9, or in Greenwood earn between $6,000 and $9,000 a year. The cost of housing has been below the average. In the last year pressure to redevelop has been felt. The most noticeable trend is the rapid rise in rents over the last five years. Houses have changed hands at higher and higher prices and the rents which must be charged to the tenants have been raised.

I would point out that the tenants are the people who suffer when speculators drive up the price of land. Increasing numbers of houses are owned by absentee landlords. The number of owner-occupied housing units is decreasing. The upward rent spiral is evident in all parts of the area. Indeed, rents are increasing one and a half to two times as fast as those in the rest of the city. Contacts have been made with people whose rents have jumped as much as $60 over the past two years. When it is recalled that many of these people are old age pensioners, we see that sometimes the increases in pensions approved by the House have turned out to be a mockery as the left hand of the landlord grasps what has been granted by the right hand of increased pensions.

The ForWard 9 Community Development Co-operative has been incorporated in an attempt to counteract these trends which I have described. The co-operative plans to purchase and renovate existing houses in the area which would then be let to ward residents on a non-profit basis. The co-ops are controlled by the people living in the co-op owned houses. Rents will be stabilized and security of tenure ensured. Increases in rent would be made only when there is an increase in taxes or an increase in operating expenses.

The project was designed to provide housing for families with incomes falling within the $6,000 to $10,000 range. This economic group is caught in the middle. They are too affluent for public housing, yet their earnings are insufficient for them to be able to purchase a house. The families whose incomes were above $10,000 would not be excluded, but they would be charged an additional monthly charge to be used to subsidize families with incomes of less than $6,000 and who would otherwise not meet CMHC requirements for the minimum increase.

Already in November, 1972, a mortgage commitment for $1.5 million was obtained from CMHC. The loan was granted under section 15 of the NHA on ForWard 9 Community Development Co-operative providing between 80 and 100 housing units. This will involve the purchase of some 40 to 50 houses and their rehabilitation. As in all cases, they will be dealing with multiple unit dwellings either existing or through conversion. The CMHC loan covers only 95 per cent of the total cost to be amortized over a period of 50 years. The remaining 5 per cent equity is being raised from local churches, individuals and other organizations. This emphasizes the importance of an amendment to provide that loans available for such projects be up to 100 per cent. The lack of 5 per cent equity could cause a serious and unnecessary slowdown in the progress of this project and other projects, despite the fact that they have strong community support.

I have recited this story of ForWard 9 in my own constituency so as to stimulate, I hope, the interest of other hon. members in similar developments in their communities. Such developments are in my view essential to the healthy maintenance of strong residential communities in the urban and built up areas of this country. In so far as the present legislation recognizes this need—suitable amendments could recognize it in an even more clear and satisfactory manner—I welcome the legislation and, as I have said before, will support it on second reading in the hope that in committee further improvements to the legislation will be introduced and accepted.

I hope that as soon as possible the legislation will be passed, that it will be vigorously administered and that the worthy purposes proposed in the legislation and mentioned by the minister will be executed with directness and vigour.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, in this debate the hon. member for Calgary North (Mr. Woolliams) gave us in his own inimitable style a wide-ranging speech which was pretty strong on rhetoric but not very strong on substance. The substantive issues raised by the hon. member, as far as I could discern, were that there should be a national development policy which would enable all Canadians to become home owners or build up an equity position to become home owners.

The bill does enunciate a clear national objective, which is to provide the conditions by which all Canadians will have access to decent accommodation whatever their income. To this end the bill, through its assisted home ownership program, will enable low and moderate-income Canadians to acquire home ownership with federal support. The bill also provides for 100 per cent loans and 10 per cent grants to be made available to non-profit corporations for the purpose of providing low-rental housing projects to meet the needs of the lower income groups.

The assistance provided in the bill for the rehabilitation of existing houses will also enable more of the lower income groups to assume home ownership and rehabilitate these houses in neighbourhood improvement program areas. Thus, the bill does not purport to make available only home ownership assistance to the exclusion of other forms of assistance for low-rental housing. I can, therefore, categorically assure the hon. member for Oshawa-Whitby (Mr. Broadbent) that these new programs of housing assistance are in addition to the public housing program and are not intended to replace that program.

These programs, as the minister said, are intended to widen the choices of housing available to the lower

income groups, and I share the sentiments expressed by the hon. member for Oshawa-Whitby that it would be a tragedy if the public housing program was discontinued. That is not to say that there are not some imperfections in this program. There are, and these are being corrected, with emphasis being placed on lower density and scattered developments to prevent ghetto situations arising of the kind to which the hon. member for Calgary North referred. The emphasis given to the rent supplement program announced recently by the minister is another forward step to improve the living conditions of Canadians and will do much to prevent the isolation of the lower income groups and the attendant difficulties which so often arise on that account.

The hon. member for Calgary North drew attention to the high cost of housing, particularly in Toronto. This is certainly a situation that none of us can accept as being satisfactory. It is true in Toronto especially, but it is true also in many other urban centres. The hon. member mentioned that only 4 per cent of metro Toronto residents could afford housing and he quoted from the UDI brief to substantiate this. In fact, the UDI brief states that while in 1961 approximately 28 per cent of all income earners in the Toronto area could be said to have been able to buy a new, detached house, in 1971 only 11 per cent fell into that category, using the NHA average price statistic, or 4 per cent using a more realistic average.

These figures are based entirely on new housing costs and the perception of UDI officials of what is the average new house cost. I might mention that in Toronto, in 1971, the average cost of new, single family NHA houses was $30,939, which required an annual income of $12,700. On the other hand, the average cost of existing single family NHA houses there was $22,489, with new condominium apartments costing an average of $20,267. To support these costs required an annual income of $9,630 and $9,100, respectively. The latest figures available from Statistics Canada are for 1969 and show that 50 per cent of all families in Toronto earned over $10,000 and, therefore, qualified for a single family NHA existing dwelling or a new NHA condominium apartment. About 30 per cent of all Toronto families earned over $13,000 and, therefore, could qualify for a new single family NHA financed dwelling. I do not want to minimize the difficulties faced by the lower income groups in regard to home ownership, particularly in the urban areas. Toronto is the highest cost urban centre and I mention these figures to show that half the families there are in a position to assume home ownership in one form or another.

• (2040)

As the minister said, the bill is designed to meet the housing needs of the other income groups who would otherwise not be able to compete for housing on the open market. I think most members of this House would agree that the cost of land in Toronto is scandalous. There is no question about that. I have heard of some serviced land as far as 30 miles from the centre of Toronto where a lot costs $22,000. In Montreal, a similar type of lot would sell for perhaps $4,000 or $5,000. The difference in the price of these lots is perhaps to a small degree the difference in the cost of the services, but most of the difference is purely speculative profit.

[Mr. Watson.]

It is interesting to assess the blame for all this and I should like to put on the record tonight how we got into the business of land assembly. In my view, the only long-range solution to high land prices that makes any sense are the steps announced by the minister in this bill concerning land assembly and the new communities concept. The minister has gone beyond that in his speeches in this House. He has said that he intends to use Central Mortgage and Housing Corporation as an instrument of social policy. If you combine what we have here in this bill with the expressed intention of the minister, then you have the makings of a policy with the potential to force land prices down.

In 1950 a law was passed in this parliament which allowed for land assembly with the provinces and the federal government in partnership. Since that time the federal government has been willing to pay 75 per cent of the cost of land assembly programs in partnership with the provinces. As a matter of fact, in 1954 land was so acquired in Toronto and the Malvern development resulted from that assembly. It would be interesting to speculate what the price of Toronto area land would be today had the province taken advantage of the provisions available since 1950.

In 1958 or 1959 a further carrot was held out to the provinces to enable them to get into land assembly programs when the federal government made provision for assistance for trunk sewers as part of the sewage disposal plant and trunk sewer program. However, this did not prove very successful in encouraging the municipalities to get into land assembly, although that was one of the *raisons d'être* for the program. In 1964 further amendments to section 42 of the act were passed which permitted the provinces to borrow up to 90 per cent of the cost of the land to be acquired for land assembly purposes. This lending apparatus was first used by the provinces in 1966 or 1967. It finally got under way in 1970 when in all the provinces of Canada a total of $15 million was spent on the acquisition of 2,500 acres of land. It is regrettable and tragic that many of our urban areas did not take advantage of these provisions in the law. Of course, there is blame on all levels including the federal level and all previous governments must take the blame.

I believe that the attitude toward CMHC and the National Housing Act is a reflection of our constitutional problem. For too long we tended to assume, since it was their basic domain, that the provinces should take the initiative. We left the field open to them, but they did not take action and we have ended up in the present situation. I wish now to turn to another issue raised by the hon. member for Calgary North. He made the point that the funds allocated for the new communities and land assembly program were insufficient, since out of the $100 million earmarked for these programs $93 million would be required for the Pickering development alone, which left only $7 million to meet the rest of the country's land needs. I must admit that I am somewhat at a loss to understand what the official opposition party's position is in this respect. On the one hand, the hon. member for Calgary North takes the position that the $100 million a year that we propose be set aside for land banking over the next five years is insufficient, yet on the other hand the Leader of the

Opposition (Mr. Stanfield) takes the following position as stated in an article in the *Globe and Mail* of May 31, 1972:

A federal Progressive Conservative government would make a priority of a revolving fund of $100 million which could be used on a regional basis to set up residential land banking agencies according to opposition leader Robert Stanfield.

These remarks were made to the delegates of the Urban Development Institute at their annual meeting. This apparent ambivalence on the part of the official opposition party, where their leader takes the position that a total of $100 million will be the panacea to the land problem, is at variance with the hon. member for Calgary North who maintains that $100 million a year over the next five years is insufficient.

The funding allocation of $500 million over the next five years is a lot more than has ever been used in the past in the context of comprehensive provincial and local development plans which are directed explicitly to the principle of serviced land at reasonable cost. In the past, the provinces have used the funds allocated for this purpose in the capital budget of CMHC. The $100 million per annum is to be supported by a larger flow of funds for the extension of sewage trunk lines and sewage treatment plants, so that the federal commitment in regard to the development of land amounts to over $1 billion for the next five years.

• (2050)

If this is not enough, hon. members may be assured that the minister will come back here and ask for more. In view of the experience of the last few years, in which not a single province or number of provinces asked for nearly as much money as we are making available, that $100 million is certainly more than adequate, to start with anyway. It is not so much the money, however, that is important as the intent and determination to spend the money in the context of a type of development policy that until now we have not had in this country. We cannot simply buy our way out of difficulties that beset the land development process. We have, rather, to see it as an essential requirement of public policy to look to the orderly and harmonious growth of our cities and to develop strategies and programs at all three levels of government as a matter of continuous consultation and co-operation.

With respect to Pickering, the hon. member for Calgary North was correct when talking of the cost to the federal government, in acquiring these 25,000 acres, as being in the order of $94 million. However, what he fails to appreciate is that this development will take place over a three-year period starting in 1972. In fact, provision has already been made in the 1972 capital budget of CMHC for an initial allocation of $40 million toward the federal share of the cost of this project. This leaves a balance of some $54 million to be funded in 1973 and 1974 for this purpose which will be met out of the land assembly fund allocation to Ontario in these years. This, then, leaves a substantial balance, in the order of $73 million, for each of the next two years to meet needs elsewhere.

Another point that the hon. member for Calgary North raised was that the recommendations made by the Hellyer task force had not been acted upon and that this report was gathering dust. I am not sure where the hon. member was in 1969, but he may recall the amendments to the National Housing Act in that year which incorporated nearly all the recommendations made by the hon. member for Trinity (Mr. Hellyer) subsequent to his resignation from cabinet.

Mr. Woolliams: Why did he resign?

Mr. Watson: Thus, in the 1969 amendments legislative effect was given to such recommendations as freeing the interest rate for NHA loans, permitting five-year, roll-over mortgages, increasing loan ratios, extending amortization terms, reducing insurance fees, making loans for land assembly purposes, streamlining procedures by removing the necessity for order in council approval under a number of programs, and so forth. Other recommendations, particularly those governing public housing, did not require legislative amendment and were implemented as a result of policy changes. The discontinuance of the urban renewal program also largely resulted from these recommendations. Thus, nearly all the recommendations in one form or another were implemented by the federal government. However, we must admit that many of those recommendations fell under the jurisdiction of other levels of government and in most cases those recommendations have not been acted upon.

The other issue raised by the hon. member is that there should be municipal representation in the tri-level consultative process. This is the whole purpose of the consultative process, namely, to provide a forum whereby the three levels of government can sit down as equal partners and review urban problems which are a cause of common concern. A meaningful beginning has been made in this direction, as evidenced by the consultations held last fall, and this is to be followed up with further sessions taking place later this year. Negotiations are going forward with a view to the setting up of these meetings later this year. It was the expressed intention of the minister, as soon as he was appointed to his portfolio, to act with respect to these tri-level meetings and to increase the number of times that they could be held each year.

The hon. member for Calgary North suggested that CMHC, being a Crown corporation, is not accountable to the minister and should therefore be made a department so that the minister could control its operations. I point out to the hon. member that the enabling legislation for CMHC, namely, the Central Mortgage and Housing Corporation Act, does provide in section 5(5) that the corporation shall comply with any directive from time to time given to it by the governor in council or the minister respecting the exercise or performance of its powers, duties and functions.

Mr. Woolliams: Mr. Speaker, I wonder if the hon. member would permit a question. I am well aware of the section to which he referred. Is it not possible that the president of CMHC or other members of the organization could say, "We will not carry out this order in council. We will not abide by it"? Would it not be better if the corporation were like any other government department? In the carrying out of government policy, it would be responsible to the minister. He would have greater control over it and there would be more liaison between that department and the minister. Would that not be better, instead of

permitting it to exist as an independent agency like the CBC or Air Canada?

Mr. Watson: Mr. Speaker, I urge the member to read again section 5(5), even though he says he has read it. Unfortunately, judging by past action or inaction, ministers over the years who have been responsible for CMHC apparently did not read that section, either. There was a laissez-faire, hands-off approach to the administration of CMHC. That is not the case with the present minister. I do not think that will be the case with future ministers occupying his position. As this minister has announced, he considers that organization to be an instrument of social policy. Section 5(5) gives the minister clear powers to intervene and to direct the actions of CMHC.

In respect of the budgetary allocations to support these new programs which have been announced, it is axiomatic that the programs will not be fully effective if, indeed, they are curtailed. I should like to endorse the minister's position that this is a matter to which the committee should address itself in reviewing this legislation, and I am confident that in so doing members will assure that adequate funding is provided for this purpose.

[*Translation*]

Mr. Speaker, I should now like to deal with one aspect of the bill which will be, I hope, of special interest to the province of Quebec. I mean the provision for making loans available for rehabilitation, since the province of Quebec now has a restoration program in Montreal which has been extended to the whole province. Under the provincial program, only 25 per cent of the cost is given the owner for basic restoration work; he is expected to contribute the other 75 per cent out of his own pocket. The maximum amount provided for by this program is $8,000 and the minimum $1,000. The maximum provincial-municipal contribution is thus $2,000. Because of the relatively high contribution required of the owner, and because low income individuals are involved—they usually live in housing of inferior quality—and also for other reasons, the present program does not deal with the income of the occupants, nor with the resale value.

• (2100)

In order to reconcile differences between the Quebec program and the federal program planned, consultations at the official level took place between the Central Housing and Mortgage Corporation and Quebec authorities for the purpose of developing a viable federal program which could be integrated in the provincial program according to needs. Following these consultations, the CHMC indicated its willingness to support the creation of a program calling for contribution of homeowners involved and offering federal assistance in the form of grants. It would be understood that federal participation would bring the total available grant assistance up to 40 per cent of renovation costs, or a maximum of $3,200, made available to the owner as a grant from the three levels of government.

Furthermore, it was understood that because of legislation concerning rent control in the province of Quebec no problem would arise in connection with assistance given to homeowners without definite rent control requirements under the federal program. Most residents of urban centres would therefore be protected.

With regard to the federal government's concern in connection with owner-occupants, namely that aid should be proportional to income and that there might be no profit on the resale of an improved unit, it was agreed, subject to further consultation to settle the form of these regulations, that an income ceiling would be set for a trial period, for eligibility for federal grants. It was also agreed that a promissory note would be required to ensure that the grant can be earned over a given period, to prevent quick resale profits.

Upon termination of the trial period, the two governments would carry out a further study to assess the program's efficacity, taking account of provincial needs. That is how the two programs will be co-ordinated in Quebec, so as to guarantee maximum impact in dealing with these needs.

[*English*]

In conclusion, Mr. Speaker, my feeling is that this is the most effective—I should not say effective because we have not yet seen it in action, but the most significant housing legislation that has been introduced into parliament since the 1954 National Housing Act. It provides us with an opportunity to improve the living conditions of all Canadians. It will enable them to exercise their legitimate right to decent accommodation in a stimulating environment. We still have a way to go, Mr. Speaker, but this is a strong step in the right direction.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, since the field of housing is one of the most important in this country, I have much pleasure in speaking briefly on the second reading of Bill C-133, entitled "An Act to amend the National Housing Act".

This is a bill that reveals good intentions, and we should be very happy to see it. However, my limited experience of the implementation of the former act leads me to reserve judgment. Some of our many laws are good, in my opinion, because they are easy to implement, but we also have some that are not so good.

Besides, there are other acts whose administration can become a problem. Mr. Speaker, in that category I would place, for instance, the Canada Elections Act; in fact, one could imagine that what can be done, what can be controlled by the Chief Electoral Officer has nothing to do with what can be decided upon and what can be built following the personal endeavours of some organizers.

At any rate, this is more or less what happens as concerns the previous National Housing Act. On several occasions, I referred to the minister representations made by some of my constituents declaring themselves unsatisfied with the house they had bought through the Central Mortgage and Housing Corporation and which had been built, supervised and financed by that same corporation.

I am still receiving letters from various constituencies in the province of Quebec, and among these, I should like to quote one that was sent from Vanier City on January 28, 1973:

The problems are the following: cracked foundation, which causes water damages in our basement; broken ceiling due to water leakage inside the rooms, and in one particular room, eight containers were needed to collect the water. Therefore, the ceilings have to be done over; the floor is loose; outside, broken perma-glaze; the walls are half insulated, and so one and so on.

This is the case of a young couple who bought a house. Having no child, the wife feels free to work outside. A storm occurs and there is nobody at home. It rains all day long and, in the evening, they find damages quite hard to evaluate. Some things can be repaired; there are others that can be dried, whereas, for others still, they had to call the insurer and claim damages. The insurance company refused to pay and the law supports it, because the damages to the property of these newlyweds and their furniture are simply due to faulty construction of the house.

This apartment is in a six-unit building which has of course a flat roof. Now, it was discovered that the drainage of the roof was set up at the highest point of the roof and this is an inexplicable defect.

But the most ridiculous thing of the entire matter is that it is absolutely necessary to catch the water seeping through the roof in tubs or pails, because if it falls in the basement it cannot run off. Indeed there is a screen on the floor of the basement but the water cannot go through, unless of course the drain, if any, is plugged.

So the owner asks to see the plans and specifications used to build that house to know where to make a hole and check the pipes, if any. However, it is impossible to see the plans since apparently the builder of such a house is not compelled under the legislation to produce them.

In this letter which I received, another paragraph read as follows:

We have been contacting the CMHC since June 1971, to no avail. It seems that the contractor, who is from Vanier City, is bankrupt. We have had no results with him either.

Mr. Speaker, this is a case from Vanier City. In my collection, I have a letter from Notre-Dame-des-Laurentides. The owner paid $1,150 for his lot. He signed a $14,000 contract for the building of a 25′ by 37′ house. That contract provided the following: landscaping, hot water heating system, oil water-heater, exterior and interior painting, screens, exterior door for the basement, that is an exit in the basement.

So the man takes possession of his house without any landscaping and no screens. He finds that he has to make a monthly payment to Imperial Oil which owns the water heater.

What he finds most amazing, Mr. Speaker, is that though he has paid $200 for the basement door, there is none. So he calls for an expert who tests all basement walls in order to find a spot which would sound hollow. To no avail, everything sounds solid. There is no door, visible or hidden. And when he took possession of his house, he had to pay additional costs for the double water mains needed to feed the heating system, he was told.

• (2110)

As this is a bungalow there is but one heating system which requires one pipe only. So the owner discussed the situation with a heating engineer who told him that in order to permit circulation a feeding pipe and a retaining pipe are needed.

An hon. Member: Ridiculous!

Mr. Godin: Mr. Speaker, according to invoices, such things are accepted by the Central Mortgage and Housing Corporation.

At the present time Americans are concerned about the financial return of a pipeline for the shipment of oil from Alaska. So, I avail myself of this opportunity to suggest to the minister concerned to send to the United States a representative from Central Mortgage and Housing Corporation. Probably this official could find a way of carrying oil from the North down to California, and using the same pipe to deliver molasses to the Eskimos. I am convinced that this system would be profitable!

Mr. Speaker, during the negotiations between the contractor, the Corporation and the purchaser, the notary had asked for $125 in cash, in order to get him the 3 per cent rebate paid by the province of Quebec.

We know that this form is available from the CMHC, Caisses populaires and banks. It may be filled up by a clerk within 10 or 15 minutes. However, to do this work, the notary had asked for $125. Unhappily, the new owner was not eligible to the rebate since his annual earnings were $100 more than the maximum amount allowed under the act. Then, this is another $125 lost!

Mr. Speaker, except for all I have just referred to, the owner is satisfied. Apparently, his house is quite comfortable. It is well located, the surroundings are fantastic in that area and his neighbours are very pleasant people.

He kept in touch with the CMHC for one year in order to get advice and guidance in his claims.

Considering the fact that he had to do himself the outside paint work, that he had not obtained the screens, that he had to do the landscaping himself and that he had not found the door yet, he met with officials of the CMHC to tell them that he was willing to pay at least for what he had received.

As the bargaining was not successful, after another year, he really got depressed. In the first place, he had to pay $200 to have a lawyer handle his problem but, unhappily, this lawyer died. After that, he managed to get his file and gave it to another lawyer who took up the matter seriously.

However, Mr. Speaker, the door has not been found yet. But it has been discovered that the contractor once went bankrupt and is now in business under a new name; his wife has been elected president of the company while he, being insolvent, became the treasurer manager.

Mr. Speaker, what are the criteria used by the CMHC to deal with contractors?

The building of the house just referred to took place three years ago. But the most ridiculous thing is that this small company is still doing business with the CMHC. The case is definitely filed and the owner just paid $1,750 for legal fees plus $1,300 for things he never received.

Mr. Speaker, I would like to give another distressing example. It is the case of a house built in 1963, pretty well built at a high cost, but which had shortcomings because

during winter months, water kept running down a wall and freezing in the cupboards.

The buyer had the wall examined by an expert who said that apparently the builders had failed to insulate the wall. And because they had to pull down one side of the wall to lay the insulation, the owner negotiated with his contractor for three years and a half without obtaining any result.

And as he loses his rights after five years he made haste to take legal action. During that time the owner had to change lawyers twice. The verdict has not yet been brought in and it is obvious that that house which was built 10 years ago does not have very strong walls.

Mr. Speaker, those who are dissatisfied with CMHC come by the dozen. Some bite their fingers—they would bite their forehead if they could—and there are even some who feel like phoning one another. Among those who admitted their mistake and regret having bought a house, some even admitted it publicly.

As a matter of fact, about one customer of Central Morgage and Housing Corporation, one can read in the newspaper *Le Soleil* of March 16, 1973, and I quote:

Mr. X was found in "contempt of Court" for refusing to remove a sign in front of his house saying: "Be more careful than we were before buying—

This is a customer of Central Morgage and Housing Corporation and the article is signed by Jean-Claude Rivard and Michel Truchon. They met the condemned man before he went to jail, and he stated, and I quote:

The jail house is certainly going to be more comfortable than my house—

Mr. Speaker, it is regrettable that such things should happen. CHMC should take its responsibilities, advise and help families with which it deals.

I am convinced that there are still honest people in the employ of CMHC but so many things have happened in recent years that one cannot help wonder. How many are there and who are those at Central Morgage and Housing Corporation who refuse to provide regular services?

Therefore, I feel it is my duty to second the hon. member for Roberval (Mr. Gauthier) who is proposing that representatives of unsatisfied owners who dealt with the CMHC be called upon to appear before the appropriate committee. I think the time has come for these people to be heard.

In my opinion, if small investigations have been negative up to now, it is merely because they have not been made at the proper level. If the committee were in a position to meet unsatisfied owners, I am sure the truth would be known and that the necessary recommendations would be made.

I think there are enough honest people in our country so that a more equitable policy can be established for Canadian families looking forward to have their own house. A desire to own a parcel of land and a house is a natural thing which deserves fulfilment.

I suggest that a measure such as Bill C-133 can help Canadian workers get a good house provided the legislation is applied literally and the regulations are really humane.

[Mr. Godin.]

The government sends delegates throughout the world for the purpose of promoting peace. I think this is great, but I think that if we first do at home all that is needed so that our people can get a house without having to worry, this will be the beginning of responsible action. If we are sincere when we talk about peace, let us first act in such a way as to avoid everything that could give rise to revolt at home.

[*English*]

Mr. Ron Atkey (St. Paul's): Mr. Speaker, it is with great pleasure that I join this debate to determine the direction of Canada's national housing policy. As a city-dweller, representing many thousands of people in the middle of Toronto who have been unable to obtain adequate accommodation at reasonable prices or who have had to fight for the preservation of their neighbourhoods against the incursion of unwanted high-rise development, I welcome the opportunity to examine why the federal government has allowed this sorry situation to occur and what the legislation before us might do to help alleviate the problems.

Let me say at the outset that my comments will be directed primarily to the residential rehabilitation and neighbourhood improvement aspects of this bill, and that I welcome these new programs. I was happy to hear the hon. member for Greenwood (Mr. Brewin) express like sentiments a few minutes ago. At long last the federal government appears to have overcome at least some of its bias against providing assistance for existing rather than new housing. For years this government has followed a policy decidedly favouring new construction. Rehabilitation funds have been virtually non-existent, and in our large cities this has tended to encourage the tearing down of older family housing and its replacement with non-family high-rises. With this has come the destruction of the very soul of many fine residential neighbourhoods throughout Canada.

Why did this happen? First, one might trace the blame all the way back to the highly centralized and irresponsible assumptions upon which the federal government proceeded historically in the making of national housing policy. The first assumption was that housing could be used as an economic lever to adjust the economy in periods of high unemployment and declining growth. There was no attempt to view housing as an important social policy in its own right. The construction of new housing was seen as a more flexible economic tool than the fixing up of old housing.

• (2120)

Second, the federal government tended to follow the bulldozer approach to urban renewal, emphasizing demolition in the city core and replacement with gleaming high rises of steel, glass and concrete surrounded by parking lots and unused green space. Until at least the mid-sixties this is what the federal government thought the people in the cities really wanted. Besides, it was easier and meant that the government really did not have to consult the people.

Third, there was the assumption that all aspects of housing policy, including the exact mix of the various

programs, should be determined only in Ottawa. The provincial governments were seen as incompetent to determine their own program priorities or to responsibly allocate public moneys to the various agencies or corporations who would actually provide the housing.

There was an even greater unwillingness to see the municipalities determine housing policies at the local level. Instead, we had the highly bureaucratized Central Mortgage and Housing Corporation in Ottawa attempting through the approval process to control every aspect of housing right down to the quality of individual projects. This was paternalism run rampant, with a highly centralized machine purporting to cover the needs of an entire country with a single set of standards and regulations. What this led to was a general insensitivity to the fact that the different regions of Canada required different housing policies. Programs for new housing may indeed have been desirable in certain parts of Canada, but there are other parts of this country where a more appropriate mix would have been in order in view of the relatively large inventory of existing housing stock which was slowly deteriorating.

For a number of years there were home improvement loans under section 28 of the National Housing Act. However, this provision was not for direct loans by the corporation but merely the guaranteeing of loans made by a bank or an approved instalment credit agency. If the bank or credit agency said no, then the home owner was out of luck. Had the federal government been interested in conserving and upgrading existing housing stock, it would have been a simple matter for the minister to introduce legislation which would transfer section 28 to part I of the act so that direct loans could have been granted. But this government sat on its hands.

Indeed, this lack of federal action has been accentuated by a drastic reduction in activity under section 28 providing for home improvement loans. In the period 1955 to 1959, approximately 31,000 home improvement loans were granted per year. In the last three years the number of loans has gone down from 10,000 in 1970 to 9,000 in 1971, and in 1972 the number of home improvement loans for the whole of the country was down to 7,000. There has been no federal concern regarding this decline and no attempt has been made to investigate its causes.

I would submit that this failure to pay sufficient attention to rehabilitation of existing housing in the large cities of Canada can be traced back to excessive centralization of policy-making and administration. The government has failed effectively to involve the provinces and the municipalities in the determination of the program mix. Indeed, when some provinces in January requested block funding on a three or five-year basis in order to give them the sort of flexibility required to pursue, together with the municipalities, innovative programs in core areas, Ottawa said no. Similarly, when some of the provinces demanded flexibility in order that they might take into account their particular urban or rural needs, Ottawa still resisted. The old rigidity is to continue. This government is denying to the provinces and the municipalities the opportunity to set their own priorities. You either do it Ottawa's way or not at all. I would suggest that as long as the federal government persists in dominating the program mix to the extent that they have in the past, we will continue to have situations in Canada where programs lag behind public need. The top-down approach is inflexible, inhuman and out of date.

Now, no one doubts that the central government in Ottawa has an obligation to determine the dimension of housing problems throughout the country and to set national goals. This clearly is a federal function. I think this was clearly explained by the hon. member for Calgary North (Mr. Woolliams) in his address last Thursday. But these goals must form the context and framework for the development of provincial and municipal housing programs best suited to the needs of each community in each part of Canada.

But here we are in 1973 with an expanded bill with a variety of patchwork programs to be rigidly administered from the centre. It is not that programs such as assisted home ownership, land assembly, new communities, neighbourhood improvement and residential rehabilitation are necessarily bad or undesirable. The problem is that the mix and balance of these programs will still be in the hands of CMHC. Too often that body is insensitive to local needs.

Let us examine the contemplated level of expenditures for each of these programs on a national basis. Let us try to find out what the minister had in mind when he conceived the program mix. The minister indicated to us, on Thursday that he will reveal the anticipated expenditures for each program during committee stage. But last June he gave some hint of the sort of plans he had when he was introducing an earlier version of this bill. He outlined the amounts to be spent in the first year of operation.

At that time he stated that there would be some $155 million allotted to assisted home ownership, some $70 million to land assembly and only $6 million to residential rehabilitation. Out of the total first-year expenditure of $457 million anticipated at that time, residential rehabilitation would make-up only 1.3 per cent, which gives some indication of the priority that this government is giving to existing housing. Even if one were to throw in the $80 million anticipated for the neighbourhood improvement program, this would bring the total commitment to existing residential areas up to only 18.8 per cent of the total federal funds to be committed in the first year of operation. Obviously, then, residential rehabilitation is going to get short shrift in the implementation of this bill. There are going to be thousands of lower and middle-income home owners anxious to fix up their houses to a minimum maintenance standard who are not going to qualify simply because there will not be enough money in the program.

This program purports to be an improvement on the old one introduced last June because it does not necessarily restrict residential rehabilitation loans to houses located in neighbourhood improvement areas. However, to go outside these areas there must be a designation by the governor in council, with the concurrence of the province, meaning that the built-in institutional restraints on these rehabilitation loans will be substantial. The program is still area-oriented. This is yet another example of paternalism. It will be almost impossible to get rehabilitation loans or grants into spot situations outside of the inner

city and into the older suburban or even rural areas which in many cases are equally deserving of attention.

Another weakness of the program is that it is only available for family housing units. Older people living alone, students requiring hostel accommodation and handicapped people requiring special accommodation all would appear to be precluded from participating. Also, there is some doubt as to whether the loans will be available for conversion of larger residences to multiple family use on the basis of a loan for each dwelling unit created as a result of the conversion.

Perhaps the greatest weakness of the rehabilitation program, however, is the limitation of $2,000 as the maximum amount of loan that can be forgiven. Even if this amount were to be matched by the provincial government—which happily is no longer a condition of the federal loan as under last year's bill—the sum of $4,000 is totally inadequate to bring most older houses up to even the most minimum housing standards, considering that this amount must cover plumbing, heating and electrical systems as well as any structural work that must be done.

• (2130)

In my view, it would not be unreasonable for the maximum federal loan to be set at $8,000 to be made available at a beneficial rate of interest with up to $4,000 to be forgiven in repayment over the life of the loan, depending on the occupier's income. With this sort of maximum, the loan and grant ceilings could vary, depending on the condition and size of the dwelling and the number of people it was capable of housing.

Finally, I am concerned about some of the after effects of the rehabilitation program which do not appear to have been considered by the draftsmen of this bill. For example, would it not have been a feasible proposition to include as part of the federal-provincial agreements, where they exist at least, that the provinces and municipalities must implement five or ten-year tax moratoriums on properties which have been rehabilitated? Otherwise, substantial property tax increases in the future may well be a strong psychological hindrance to low or medium-income families becoming involved in the program. Also, in cases where rehabilitation loans go to landlords, the bill might have been more specific about a minimum period of rent control and restrictions on resale, rather than leaving these matters to be determined by way of individual contract with CMHC.

Turning now to a related program, the neighbourhood improvement scheme is a welcome replacement for the old bulldozer-type urban renewal schemes of the past, as the minister noted last Thursday. There is a new emphasis on citizen participation, and the development and enforcement of occupancy and building maintenance standards is a most desirable feature, although the definition of these terms may cause some confusion. I am quite sure the minister is aware of the confusion he has caused by the lack of definition of these occupancy and maintenance standards.

One deficiency of the program is that the federal share of improving municipal and public utility services and relocating noxious uses is limited to 25 per cent, which in my view is a derogation from the general 50 per cent cost-sharing formula which otherwise forms the basis of the program. Also, there is no apparent reason residential buildings outside the neighbourhood improvement areas which are slated for acquisition and demolition should be subject only to a 25 rather than 50 per cent federal contribution. It is also significant that for demolition of buildings outside a neighbourhood improvement area, the government did not think it necessary to require the province or the municipality to have citizen participation. Regrettably, it is not in the bill before us.

A note of caution should be injected here concerning the pervasive and paternalistic role envisaged for CMHC under clause 27 of the bill. It would appear from this clause that the corporation will be asserting a right to have a major say in local planning decisions since the agreements between the corporation and the province will set out the criteria upon the basis of which neighbourhood improvement areas may be selected and prescribe the manner in which the selection of such areas shall be made. Moreover, such agreements envisage a federal contribution of 50 per cent to the formulation and selection of plans to be implemented in the neighbourhood, which in my experience implies direct CMHC control of the formulation and selection process. If any decision-making function should belong to the people at the local level, surely neighbourhood planning is the prime example. Yet this program will virtually guarantee federal intervention. The omniscient presence and controlling sanctions of big brother CMHC will only be too evident. Potentially, this is the top-down approach taken to the extreme.

On a more positive note, I welcome the provision of loans of up to $10,000 for the improvement of commercial premises in the neighbourhood. This will help many small businessmen who are obliged to relocate as a result of demolition or who wish to expand in an area undergoing rehabilitation. This is a very sound and sane approach to neighbourhood improvement generally.

Now let me ask a few questions about the government's crown jewel in all of its housing programs, the land baking scheme. Let me ask the minister what portion, if any, of the $100 million per year will be loaned out for acquiring and servicing land for housing in the middle of the cities. Will the government approve in-city land banking of underused industrial properties which are capable of conversion to residential use? Is the government prepared to recognize that in the larger cities it may be possible in some cases to create new neighbourhoods close to the downtown jobs rather than to overburden our transportation facilities by placing all the new housing in the suburbs?

In the downtown area of my home city of Toronto, for example, the development of the new Metro Centre will accommodate 50,000 jobs; the new Bank of Montreal building will accommodate 15,000 jobs; the new Royal Bank building will accommodate 10,000 jobs, and the Eaton Centre will accommodate 15,000 jobs. There will be 90,000 workers in these four projects alone. Yet the only project that has a housing element is Metro Centre, and for only 7,000 families. Where are we to get housing for the people working in all these jobs?

As the minister may or may not be aware, there is a substantial amount of underused industrial land close to

the downtown area of Toronto. With conversion this could accommodate the type of neighbourhoods people want. But the government must be prepared to allocate a significant portion of its land banking funds for this purpose. However, if the previous record of this government and CMHC is any indication, virtually all of the $100 million per year will go into suburban areas for the acquisition of raw, unserviced land. This, of course, will do little to alleviate the immediate housing shortage and the high prices.

Also, let me ask the minister what happened to the throne speech proposal to relocate downtown railway tracks to the edge of the cities. Surely, if this were anything but an empty promise the minister would have mentioned it last Thursday in the context of his remarks on neighbourhood improvement and land banking schemes. There is a great potential here since much of the land that would be freed from the railways could be easily converted to residential or recreational use.

I would hope that in the near future the minister could indicate publicly what downtown railway tracks in what cities are to be moved, and in each case the extent to which the land will be made available for residential and recreational purposes acceptable, of course, to the residents of adjoining neighbourhoods. I would suggest to him that he look at the CPR freight line running across midtown Toronto which goes through much of the residential heartland of that city and which should be a prime candidate for this relocation program.

Finally, to the opponents of neighbourhood improvement and rehabilitation who argue that it is too expensive as opposed to new development let me say this: Be careful how you determine basic costs. There are so many social costs involved in living a long distance from your job or in seeing your neighbourhood destroyed and being forced to relocate that accurate comparisons in human terms are virtually impossible. There is a very delicate social balance at stake here which involves something more than the determination of how many dollars per square foot. In my view, if the character and vitality of our inner cities are to be preserved, then we simply cannot afford not to rehabilitate and improve existing neighbourhoods. This is surely one of the keys to promoting and maintaining a stable urban society in Canada.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I have just a few observations on this very fine bill that really attempts to come to grips with the complex problem on how to make housing and community facilities available to every Canadian. This afternoon it was rather refreshing to hear positive remarks made by the hon. member for Prince George-Peace River (Mr. Oberle) which were so much in contrast with the erratic performance the other night by his colleague in the Conservative party, the hon. member for Calgary North (Mr. Woolliams). It is good that these remarks are put on the record for everyone to see how polarized can be views on the same subject within the Conservative party.

• (2140)

It seems to me that the success of the housing policy, namely, how houses can be made available at a cost which is within the reach of all members of society, depends on three aspects at least. One is the supply of land in locations that are conveniently connected with a man's working, educational and recreational facilities. Second, it depends on the rate of demolitions which we have witnessed over past decades which were required for the construction of urban expressways. Third, it depends on the incentives that are offered for the improvement of existing housing facilities and neighbourhoods, particularly now in our metropolises.

Tremendous and interesting opportunities are offered by this bill with respect to home improvements and construction by co-operatives, and I welcome the support of the minister's program. But to be successful with the other two aspects of the reasonably successful housing policy of the minister needs a change in our methods of transportation which rely so heavily at present on the car. We need a considerable switch in emphasis in favour of public transportation.

We should move away from the construction of urban expressways, which had been the method adopted in our cities, and move toward an urban rapid transit policy such as we are beginning to witness in the 1970s in the movement of people between towns and cities. We need a policy that would far better utilize existing railway rights of way. When they are built, traditional urban expressways eat up thousands of urban dwellings and increase levels of pollution in built-up areas. They cause congestion in downtown areas. They demand space to park cars downtown where space is least available, and they cause the decay of our downtown neighbourhoods.

Clearly, that is not the way to develop a sound urban policy and with it a sound housing policy. The federal government needs the help of the municipalities and provincial governments because a change in favour of a vigorous public transportation policy in our cities will mean the reduction or elimination of house demolitions, the rapid movement of large numbers of people and less damage to the environment. This process would be accelerated if the federal government were to help municipalities and provincial governments interested in the development of modern urban transportation systems, as was hinted at by the Prime Minister (Mr. Trudeau) a few months ago when he spoke in Edmonton and mentioned this very aspect of federal intervention.

The understanding of urban Canada by the federal government and, in particular, by the Department of Transport is essential. In most parts of Canada we have very valuable and costly railway lines. They lie idle, or almost so, in many of our cities. These lines could provide relatively inexpensive commuter services within a city. How about the potential offered by the underused lines between cities and towns from Windsor to Ottawa, just to mention one region? This is why some of us were so enthusiastic about the content of the Soberman report last November when it was published, and about its recommendations. If our small towns are to provide the housing that is needed, if they are to attract industries and people and if the land around them is to be developed for housing so as to reduce pressure on the large metropolises, they must be linked with the rest of the country with fast and frequent transportation services. They should not be made into satellite centres or dormitory towns, a sterile

and unnatural kind of concept, but into centres with a character of their own.

Land is cheaper in the rural areas of Canada, and so are houses built there. There is no point in raising the question of the cost of land in Toronto. It is obvious that when millions of people congregate in one area, the cost of land will rise there. I do not know what spokesmen for the opposition are really suggesting, as did the hon. member for Calgary North the other day, when they ask, "what would you do with this amount of money in Toronto alone?" Toronto alone could utilize fantastic sums of money and yet produce, in proportion, a small number of housing units which would not meet our needs. It seems to me that the answer is, rather, in reducing the pressures on metropolitan centres and providing incentives for people to settle in fully developed communities away from metropolitan centres and in the surrounding regions.

The other factor that strikes me as important in reducing the pressure on the metropolises, besides urban and inter-urban public transportation, is the success of our agricultural policies and whether we will be able to arrest or even slow down the process of urbanization because we will have been successful, through a set of federal and provincial agricultural policies, in permitting Canadians to live decent lives on the farms. This is why it seems to me that we Members of Parliament from urban Canada have a vital interest in the success of Canada's agricultural policies when we look at Canada as a whole.

Now I would like to make a few brief observations on the details of the legislation. First of all, I congratulate the minister on the fact that considerable adjustments have been made to the housing programs proposed last June. It seems most desirable that when it comes to the formulation of the regulations, the widest possible public discussion and consultation take place. We all know from experience how powerful and important regulations can be under any act, and this one is no exception.

It seems to me that a 25 per cent federal contribution toward the acquisition and clearing of land for the purposes indicated in section 27 does not appear to be sufficient to encourage the relocation of noxious, non-conformist uses in residential areas; and we have many of them in our downtown urban districts. Frequently, in older areas of the city, noxious uses present serious blighting influences the removal of which is essential to the success of an improvement program. Land thus released may afford the only opportunity to build new housing, an important component in the struggle to increase the housing stock.

The apparent confusion which arises from the use of the terms "occupancy and maintenance standard" and "minimum standard" is another concern. It would seem useful here to suggest that these two terms should be clarified in the definitions section. With regard to rehabilitation of existing family housing units, it is good that the federal contribution is not contingent upon it matching the provincial contribution. However, the amount of the loan that can be forgiven ought to be increased from $2,000 to $4,000 for the lowest income families. The experience of groups has been that estimates are extremely difficult to obtain for residential rehabilitation. It is impossible to establish the extent of the work until the job is undertaken. It is therefore recommended that the minister consider that funding be provided for the development of neighbourhood work groups which would work on a salaried basis. It would also stand to reason that landlords benefiting from the grants and loans program should be subject to rent restraint agreements for a stated minimum period of time. Then comes the question of the multiple use of larger and older dwellings, which is a useful way to increase housing for individuals and families. There does not seem to be provision for grants and loans for conversion of larger residences for multiple use, yet the conversion of this kind of house is frequently a good economic use. Therefore, perhaps this is a serious oversight.

• (2150)

In the case of co-operative housing, the wording should be very carefully reviewed to ensure that non-profit funding is available for par value or non-profit housing co-operatives such as Alexander Park and Ashworth Square projects in Toronto. A percentage of the units produced through the non-profit program should be made available through a rent supplement program to individuals and families who are most seriously disadvantaged in the housing market. Supplements associated with non-profit neighbourhood corporations would ensure that no part of the supplement would add to the profit margin of a private landlord. It would seem also, Mr. Speaker, that any rigid requirement that a fixed percentage of residents must be committed to the co-op housing project before a loan commitment could be executed would be a roadblock to this program.

Finally, on the question of land assembly, long-term leases at rates below market to non-profit corporations would facilitate the production of non-profit and co-operative housing. Fifty-year Central Mortgage and Housing loans for the purpose of land assembly will enable leasehold arrangements over an extended period of time. The assembly of underused urban land in intercity areas, available through leasehold, would encourage the development of moderate density housing where it is most needed. The disposal of this land should be at the discretion of the local planning group and municipal authority. This is the point that I believe was made by the hon. member for St. Paul's (Mr. Atkey). He noted that such criteria made for harmony in planned programs. Any requirement that land thus acquired must be disposed of by public tender would seriously interfere with the program.

In closing, may I say that two sections of this bill are very promising and exciting. The first is section 27.2 which, if adopted and implemented, would permit the construction and acquisition of day nurseries and neighbourhood recreation or social facilities. I believe this is a "first" in federal legislation. The second is sections 45.1 which deals with new communities and the acquisition of land to be used for transportation corridors linking communities. I believe this is a tremendous step toward emphasizing the importance of transportation in relation to a successful housing policy for Canada.

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

Mr. Deputy Speaker: Order, please. The hon. member for St. Paul's (Mr. Atkey) rises to ask a question.

Mr. Caccia: Yes.

Mr. Atkey: I wonder where the hon. member for Davenport (Mr. Caccia) finds the provision for day nurseries in the bill before us. That is the term he used in his speech. I would be very interested to know where such provision is to be found in the bill or in the statement of the minister.

Mr. Caccia: Mr. Speaker, it is on page 7, clause 27.2(a)(iv), "constructing, or acquiring and improving, neighbourhood recreation or social facilities.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I only have two or three minutes, but I wish to speak of some very important matters which should be brought to the attention of the people in Ottawa who make housing policies for the Northwest Territories. Up there we suffer from a very high cost of construction and an extremely high cost of land, serviced or otherwise; indeed, there are times when land is not available, serviced or otherwise, or even surveyed. This is creating hardship for the population of the Northwest Territories.

I should like also to comment on housing generally in the larger centres of the Northwest Territories where young people come from the outlying communities to find jobs only to find that there is no housing available, or very little at very high cost. You can pay up to $250 a month for an apartment, if you can find it. The cost of heating oil and electricity is $20 to $30 for a private home. Things like this are causing hardship to the people in those areas.

There is also what I consider to be a policy of planned legislative discrimination against northerners. This should be changed as soon as possible. People hired locally are not allowed to be housed in government housing even though they work for the government. I consider that to be planned legislative discrimination. If a person were hired for a similar job in the south he would be provided with housing, but if he is hired locally he is not. That is a disgrace to the Canadian government and should be changed as soon as possible.

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

Mr. Andras: I rise on a point of order, Mr. Speaker. I wonder if I could have permission of the House to revert to motions in order to table a letter which my colleague, the Minister of National Health and Welfare (Mr. Lalonde), and I sent to provincial welfare ministers. I referred to it in my recent remarks to the House.

Mr. Deputy Speaker: Is there consent that the hon. minister has permission to revert to motions for the purpose stated?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

HEALTH AND WELFARE

TABLING OF LETTER FROM FEDERAL GOVERNMENT TO PROVINCIAL WELFARE MINISTERS

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, under Standing Order 41(2) I wish to table a copy of a letter which my colleague the Minister of National Health and Welfare (Mr. Lalonde) and I sent to the provincial welfare ministers as referred to in my recent remarks in the House.

* * *

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, perhaps the acting House leader would confirm what we are going to do the day after tomorrow. It is my assumption that we will return to this legislation on Wednesday.

Mr. Macdonald (Rosedale): Mr. Speaker, that is as I understand it.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

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

SOCIAL SECURITY—SUGGESTED FINANCIAL ASSISTANCE TO LOW-INCOME FAMILIES TO PROVIDE PROPER NUTRITION—PROVISION OF GUARANTEED MINIMUM INCOME

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, it is unfortunate that the nutrition survey which was originally promised for this early spring is not ready at this time and will not be available until October. For many reasons it would have been desirable if we had had the results of it now. According to certain indications, when the Canada nutrition survey is brought in it will show that nutrition of Canadians generally is very far from what it should be, particularly among people of low income. Their standard of nutrition is disgraceful and their health condition is dangerous in many respects. Because there has been delay in the finishing and tabling of this survey, a very important report has come to hand. The National Council of Welfare, on March 8, released findings regarding the nutrition of people on low incomes, specifically people below the poverty line. It is disgraceful that a great many people must bring up children who are undersized, sick, disabled, mentally retarded and prone to disease. These conditions result from lack of money for food, for proper nutrition.

On March 9, following the tabling of the report of the National Council of Welfare, I asked the Minister of National Health and Welfare (Mr. Lalonde) if he would be

prepared, through Canada assistance, to make moneys available specifically for the nutrition of these families in order to make it possible for poor parents to bring up their children on a proper standard of diet. His reply was that already, through the Canada Assistance Plan, the provinces are able to ask for half of their budgets for such purposes. This was a proper reply and I do not find fault with it. But, Mr. Speaker, most of us, I think, want more than that—I certainly do—from the minister.

The minister is to meet the provincial ministers in April. I urge him to go to the meeting prepared to give leadership to the provinces and prepared to do more than simply say that Canada Assistance Plan aid is available. I hope he will sell the provinces two important programs, both recommended by the National Council of Welfare in the report. According to the National Council of Welfare, the most important thing that could be done is introducing a program of guaranteed annual income for the whole of Canada. As a more immediate program they propose that there should be more food dollars, that more money should be devoted to helping poor people including, specifically, pregnant women, very young children, school children and elderly people.

The facts brought out by the report are startling. One Canadian in four lives below the poverty line. One of these four Canadians gets welfare, the other three do not. Families on welfare across Canada, if they are to spend an average of 30 cents per person per meal, must spend half their entire welfare allowance for food, clothing, shelter, utilities and fuel. That is what they must spend just to be able to afford an average of 30 cents a meal per person. Do you think it is possible to obtain good nutrition for 30 cents a meal? Just try it and see how far you get, with prices the way they are today.

Someone said to me that surely it would not be practical to boost the food dollar allowances of people on welfare so as to enable them to obtain proper nutrition. Practical, Mr. Speaker! Is it practical to spend an average of $100,000 to keep a defective child in an institution for its entire life? Is that a practical way to spend the taxpayers' dollars. I doubt, it. To my mind it would be sheer lunacy if we were to allow things to go in that direction. I think the practical thing is to see that the nutrition of the pregnant mother and the young child is such that it is not born defective, disabled and having to become a burden on taxpayers for the rest of its life. The outlook is bleak indeed for the child who through no fault of its own is born disabled mentally, physically or both.

When the minister goes to the meeting with the provinces in April, I urge that he not only goes with the idea of what is available through Canada Assistance but goes prepared to urge that Canadians from coast to coast get behind the idea of a guaranteed annual income. Pending the implementation of that in full, we should be prepared to spend money on programs to get away from this penny-pinching attitude that we have which means dumping dollars down the drain. We should be prepared to look after the nutrition and good health of our people from their very beginning.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I listened with interest to the remarks of the hon. member for Vancouver-Kingsway (Mrs. MacInnis). One cannot do anything but agree with the sentiments she has expressed indicating her concern for those people in Canada who are undernourished. I think the Minister of National Health and Welfare (Mr. Lalonde) shares that concern with the same degree of sincerity.

[Mrs. MacInnis (Vancouver-Kingsway).]

I wish to point out, as the minister has already done, that under the Canada Assistance Plan, as the hon. member indicated in her remarks tonight, we do in fact provide funds to the provinces to the tune of 50 cents for every dollar that they spend on welfare programs. The provinces determine the rules under which that money is spent and the municipalities in turn administer the program. The division of responsibility is quite clear and the division of dollars is quite clear. We pay 50 cents, the province pays 30 cents and the municipality pays 20 cents. As the hon. member stated, any province is free to increase the food allowance section of any welfare payments and the federal government is committed under the Canada Assistance Plan to match that money in the way I have described.

With regard to a guaranteed income for low-income families, we can turn to the Speech from the Throne for this session of the twenty-ninth parliament in which it was indicated that a guaranteed income would indeed be forthcoming for those who are unable to work. In addition, we have indicated that there will be an over-all review of the social security structure in Canada. We all share the hon. member's views that steps be taken in this over-all review to see that the kind of problem she has brought to our attention is indeed solved. It is the intention of the government in the over-all review that will be conducted in April to review the whole picture to try to do everything we can, in concert with the provinces, to ensure that those people in this country who are in need are properly looked after.

• (2210)

PENITENTIARIES—FAILURE OF JOHN CHARRON TO RETURN TO COLLINS BAY FOLLOWING RELEASE ON ONE-DAY PASS—RECONSIDERATION OF PAROLE POLICY

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, the purpose of this debate is to focus attention on the way in which abuses of the temporary leave and day parole programs are a danger to the public. The issue is not "Shall these programs continue or not?" but, rather, "Can they be administered so that public safety is not endangered?"

A man is permitted unescorted leave to visit a relative. He is in prison for armed robbery. He carried a sawed-off shotgun. But he is deemed suitable for unescorted leave. He goes his way. He does not return until, after some weeks, he surrenders. The point's stress here is not that he is back in custody. The point to stress is that a man capable of violent crime and capable of abusing leave should not have been allowed to threaten public safety.

Another inmate is under sentence for the murder of a police officer. He is allowed to attend university classes on his own. One night he stops for a drink. He has too many and is arrested for driving while impaired. The point to stress here is that a man capable of murder and capable

of abusing leave should not have been allowed to threaten public safety.

In making this assertion, I am not unaware of the statistics the minister can cite in support of his programs. But I would ask that he give some attention to the statement of an expert before the committee on legal and constitutional affairs in the other place who recommended that day parole and temporary absence programs be studied by an independent, non-government research group with particular attention to five aspects of the program. Among the task of this group would be:

Measuring the offences, both as to number and type, committed while on temporary absences and day paroles. The figures given by the Canadian penitentiary system should be questioned as to accuracy since it has no research capability to provide adequate answers.

The minister should appreciate the need to give greater priority to public safety. In the desire of some people to give all the priority to rehabilitation lies the danger of these programs becoming discredited. The abuse of these programs must be understood in the whole context of growing public rejection of what impresses many as a "soft on crime" policy. People are stirred up about the way men can commit crimes, be freed on bail and then go on to commit worse crimes, such as the murder of an Ottawa shopkeeper this weekend. Three men were charged, all of them on bail on former charges of armed robbery and, in the case of one of them, attempted murder. People are becoming aroused about abuses of the parole program, too.

The need to take this matter more seriously was recognized by the minister's predecessor when the outcry following the release of a sex offender on temporary leave compelled him to toughen the criteria. He should have gone further, though, and I hope the present minister will.

What the hon. gentleman needs to do is to make further changes in the way these programs are being administered. He should give a greater priority to public safety and make unescorted temporary leaves and day paroles more difficult to obtain by anyone convicted of a crime of violence. He should consider making these privileges unavailable to offenders serving life sentences. In addition, he should recognize the need for the co-ordination of these two programs presently administered under different legislation by different authorities. This situation, too, is leading to abuse, as one expert informed the committee in the other place. I quote his words:

It is not unusual to observe a person denied parole one day walk out of the institution the very next day without escort with a temporary pass in his pocket.

The Speech from the Throne indicated the government intends to give the need for public safety greater recognition than it has during the past few years. It needs to. I respect a compassionate desire to rehabilitate offenders, but prudence is also a virtue and it is a virtue no government can justifiably lack. Let the minister bring more common sense into these programs. Good intentions cannot justify putting a single citizen in danger.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, on February 12 the hon. member for Scarborough East (Mr. Stackhouse) asked me what we were doing to apprehend John Charron who failed to return to Collins Bay penitentiary after being allowed out on a temporary pass, and whether we were reconsidering our policy to give temporary passes to parole offenders. First of all, Mr. Charron has been returned to custody at Collins Bay penitentiary. Second, the criteria for granting temporary absence passes to persons who have previously broken parole are under consideration at the present time.

As I told the hon. member on February 12, Mr. John Charron, who was an inmate at the Collins Bay farm annex, a minimum security institution, was granted a pass on February 4 in order to meet relatives. Although he was scheduled to return by eleven o'clock in the evening, he failed to go back to the institution. However, 12 days later he surrendered himself to the Kingston police and was returned to Collins Bay, where he was placed in the medium security institution there. I might add that the Kingston police levelled no charges against him, aside from being unlawfully at large.

There has been a great deal of misunderstanding surrounding the temporary absence program and I should like to take a few moments to provide the House with an outline of this most important feature of our rehabilitation system. Temporary absences are authorized under section 26 of Penitentiary Act for medical, rehabilitative or humanitarian reasons for three or 15 days, with or without escort. No inmate is eligible for a temporary absence unless at least six months of his sentence has been served. Moreover, there are certain classes of inmates which are never eligible for absences—dangerous sexual offenders, for example, mentioned by the hon. member.

Before an inmate is granted such a leave of absence, however, he goes through a carefull screening process in which decisions are made as to his suitability for such a rehabilitative measure. Once officials have decided that the candidate's rehabilitation will be assisted by the granting of a temporary absence, which incidentally is issued only when there is a specific purpose, such as a visit to parents or to members of the inmate's family, the inmate is then released, under escort. At the beginning those on temporary absences are always accompanied by escort. Subsequent absences, if merited, may be without escort.

Let me reiterate that there is an important initial screening process in which the collective experience of the institutional officers with the candidate is assessed before an absence is granted. Secondly, there are criteria which must be met before an inmate receives a pass, including a community assessment in the area which the inmate intends to visit. Thirdly, there is close supervision of the inmate during his initial absence. Fourthly, his conduct during the course of the first and each subsequent absence is assessed carefully by prison officials.

This does not mean that I am satisfied with the temporary absence system. As long as there are failures, I will not be satisfied; and as the speech from the throne indicated, we are studying improvements that could be made in parole and the temporary absence system. I also want to point out that my predecessor had appointed a task force under the chairmanship of Justice Huggesson of Montreal. This was an independent task force which presented a report which I am presently studying. We hope we will submit some changes to the House shortly. I

might also say that that report will be made public as soon as it is translated and printed.

PENITENTIARIES—WILLIAM HEAD—POSSIBLE CONVERSION TO MEDIUM SECURITY INSTITUTION—REQUEST FOR CONSULTATION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I wish also to thank the Solicitor General (Mr. Allmand) for being in the House tonight to hear my representation. On March 5 and March 13 I directed two questions to the Solicitor General concerning the change in grading of William Head prison from a minimum to a medium security prison. I will not take up the time of the House by reading the questions and answers. In brief, I requested the minister for assurance that this action would not be instituted without prior concurrence of the people of that area, and he replied that he could not give that assurance.

I would now like to tell some of the history of William Head prison and particularly some of the implicit conditions under which it was accepted by the local residents in the first instance. William Head prison was formerly a quarantine station. It is some 12 miles from Victoria, in the Strait of Juan de Fuca. It comprises 85 acres of beautiful waterfront property, bounded on one side by Weir beach, a public beach, and on the other by Pedder Bay, where the newly named Pearson College of the Pacific has acquired some 74 acres.

In 1958 a three man committee on correctional planning recommended that a trial project be started at William Head quarantine station. The aim of the project was to segregate first offenders and those with an evident desire to reform from hardened criminals. This was the major consideration, to separate the curable from the incurable. There was a certain amount of unease among the local residents of Metchosin and a petition was started. Their fears were allayed by government assurances. For example, the RCMP Quarterly, volume 26 of 1960, in recording the transition remarked:

• (2220)

Assurance was voiced that all inmates chosen were not dangerous criminals, that each and every man is carefully selected. Most of them will be tradesmen who are nearing the end of their sentences, and the object of the establishment is to serve as a pre-release centre, where the final and intensive effort is made to prepare inmates for re-entry into society.

On July 27, 1969, Superintendent Grant stated:

There is no intention of putting any kind of fence around William Head minimum security prison.

The final assurance to the citizenry was given when a minister of the Crown stated in 1959:

William Head is only temporary and will be discontinued when overcrowding at the main penitentiary at New Westminster has been relieved.

The institute started off rather well and there has been much favourable comment about it over the years. However, during the last couple of years there has been a change in the type of inmate. The drug culture product has been showing up in larger and larger numbers. While everyone can agree that rehabilitation is necessary for them, it is not the same kind of rehabilitation required or envisaged for the inmate which authorities had in mind when this prison without bars was instituted. As a result, escapes or walkaways increased from three in the first year to 35 last year.

To compound the problem, the Solicitor General now proposes to introduce medium security risks to this rehabilitation centre. This will, I predict, have two deleterious effects. First, it will increase the number of escapes, and the escapee will not necessarily be the innocuous type of the past. Second, the security arrangements will need to be considerably strengthened, which will destroy the rehabilitation attitude of the institution.

A good part of the rehabilitative climate of this institution is engendered by the feeling of mutual trust and respect between inmates and staff. I visited the institution a week ago and was impressed with this helpful attitude on the part of the officials. The officials, and indeed many of the local residents, feel a certain amount of pride in the rehabilitative work being done and wish it to have the best possible chance of continuing its success.

Therefore, Mr. Speaker, in order, first, to give the institution and staff clear support to continue their rehabilitative work, second, to continue to receive the tacit support of the community and guarantee their security and, third, to try to maintain William Head as an institution that physically blends with its beautiful surroundings, I respectfully request that the Solicitor General not proceed with his plans to increase the security status of William Head prison but, rather, conform to the original pledge made to the people of that area. If William Head must remain the location for a penal institution, then it should be a rehabilitation-oriented minimum security installation with minimum risk inmates. It should remain as defined by a solicitor general's report:

An institution where those inmates are sentenced who require neither fence nor wall to keep them confined, who will respect the invisible boundary that surrounds them and who, in any event, are not likely to be dangerous in the community if they do walk away.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, since there is a serious problem of overcrowding in our federal penal institutions in the western region, consideration is presently being given for the construction and/or acquisition, either by purchase or by lease, of physical facilities required to accommodate the increasing inmate population. A study of the present inmate population in our institutions indicates that an overpopulation condition exists in the institutions of maximum and medium security degrees. In these types of institutions in the west there is an actual shortage of close to 200 cells. However, the same study reveals that there are still available some 90 cells in minimum security institutions.

Because of the time period required to make maximum and medium security facilities available either by construction or by acquisition, which cannot be made available before the next year at least, it is urgent that consideration be given to the conversion of the William Head institution from a minimum security institution to a medium security institution in order to satisfy the present needs of the Canadian penitentiary service. From experience, minimum security institutions such as community correctional centres and minimum security correctional camps can be made available more rapidly, that is, within a matter of months.

The geographical location and the type of construction of the William Head institution lends itself to the execution of this plan. The conversion from minimum security to medium security will consist in the installation of adequate physical security facilities, such as security perimeter fences and windows, the construction of a gate-house and the raising of an observation post. It is also intended to increase the number of correctional officers by approximately 25. Technical scanning equipment and patrol vehicles, as well as a radio communications system, will also be made available. The necessary upgrading of physical security arrangements, the procurement of technical equipment and the staffing will be completed before any inmate of medium security degree is transferred to the William Head institution.

There will be no increase in the number of inmates accommodated at that institution. The inmates to be transferred to the William Head institution will be of the medium security category, selected on the basis of their willingness and ability to participate in the rehabilitation programs to be developed, and the selection will be in accordance with established criteria specific to the William Head institution.

Finally, may I say in reply to the hon. member, that we have no evidence that the Canadian penitentiary service made any commitment that the William Head institution would remain a minimum security institution. There are no formal documents or informal evidence to this effect in our files. If the hon. member, on behalf of his constituents, has such evidence we would be pleased to examine the question.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Tuesday, March 20, 1973

The House met at 2 p.m.

PRIVILEGE

MR. DIEFENBAKER—ERROR IN HANSARD RESPECTING NAME OF PRESIDENT OF UGANDA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, at page 2344 of yesterday's *Hansard* I asked the following question:

Mr. Speaker, may I ask the Prime Minister what purpose his personal envoy, Mr. Head, has in visiting various Commonwealth countries at this time?

The Prime Minister (Mr. Trudeau) gave me the explanation. The passage then reads:

MR. DIEFENBAKER: Mr. Speaker, what particular message was to be conveyed to General M'boto of undistinguished notoriety, the head of Uganda? What was the message to him?

The Prime Minister replied:

Mr. Speaker, President M'boto is no longer president of Uganda.

As members will recall, yesterday afternoon the House was in a very happy and rather vociferous mood. I like it that way. The result was that what was said was not recorded by the reporter because it was drowned out. The Prime Minister understood me to ask about somebody I did not ask about. I asked about Amin and he thought I referred to General M'boto. He replied as I have already stated. His answer was correct, of course, because M'boto was at one time president of the Congo. Altogether, it was a comedy of errors. So that the record may be complete, I was referring and I did refer to Amin but, as I said, the House was in that feeling of high exhilaration which sometimes interferes with communication, but enjoyably so.

Right Hon. P. E. Trudeau (Prime Minister): On the same point, Mr. Speaker, there may even be more errors than the right hon. member understood because in my answer, and I did not see the blues, I did not say "President M'boto". I said "President Obote", who was indeed the president of Uganda when we had the last Commonwealth Conference, so this makes it even more complicated.

Mr. Diefenbaker: Mr. Speaker, I thank the Prime Minister for clearing up the whole matter. We all recall that even Homer nodded, so the Prime Minister and I were both in that category.

MR. OBERLE—ANSWER TO ORDER PAPER QUESTION NO. 984

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I rise on a question of privilege. I will need Your Honour's advice on the validity of my question. First of all, I would like to have the confirmation of the House that as the representative of the people in my constituency, as the representative of people who put their trust in my office, I am entitled to ask questions of the government. I should also like to have it confirmed that after I have asked these questions the answers that I get to such questions are factual and are answers on which I can base further action.

I placed on the order paper question No. 984 dealing with the Inter-American Indian Institute. It is in three parts and the questions are simple. The first part reads as follows:

Has the government been requested to join the Inter-American Indian Institute and, if so (a) by whom (b) on what date?

The third part reads as follows:

Has any employee of the government, its agencies or Crown corporations ever attended any conference meetings or symposia sponsored by the Inter-American Indian Institute over the past six years and, if so (a) who were these persons (b) on what dates—

The answers I received to these questions are less than factual. I happen to know that there was more than one attempt by the Inter-American Institute to have Canada join. There were many occasions prior to the date indicated in the answer. I also happen to know that many delegations sponsored by the Canadian government attended these meetings.

These facts, Mr. Speaker, are underlined by a secret or confidential document which obviously is no longer confidential because I received it this morning. In it, an official of the government indicates that the answer to question No. 1 is less than factual. Another section outlines the reasons why the government is embarrassed about the Inter-American Indian institute. I quote from the document:

• (1410)

Indian leaders might be tempted on occasion to use the International Indian Institute as a forum in which they could put forward their grievances against the federal government.

Another paragraph in the document reads as follows:

The composition of the International Institute would need to be carefully conceived as it could generate friction among native people in that it would be undesirable and, in any event, virtually impossible to exclude representation from the Métis and non-status Indian groups.

These are the reasons the answers to my questions are not correct. Here is yet another cabinet leak. As a result, I should like to move the following motion, if I may do so, seconded by the hon. member for Churchill (Mr. Taylor):

That this matter dealing with the International Indian Institute be referred to the Standing Committee on Privileges and Elections or to the Standing Committee on Indian Affairs and Northern Development.

Mr. Speaker: Hon. members do from time to time bring to the attention of the House and the Chair the complaints

or grievances as to the contents of answers given to their questions. It is a long established rule that these grievances, although they may be the subject of a debate, cannot found a question of privilege. I refer the hon. member to citation 113 of Beauchesne's Fourth Edition:

Members often raise so-called "questions of privilege" on matters which should be dealt with as personal explanations or corrections, either in debates or in the proceedings of the House. A question of privilege ought rarely to come up in parliament.

And further:

A dispute arising between two members as to allegations of facts does not fulfil the conditions of parliamentary privilege.

The hon. member suggests that information conveyed to him in reply to a question on the order paper is incorrect. That may be so. The hon. member said that he was seeking my advice. My advice to him and to the House, and my ruling at the same time, is that I cannot find there is a prima facie question of privilege here which should be put to the House for debate at this time.

Mr. Woolliams: On a point of order, Mr. Speaker, in view of the fact that the hon. member told us he has a document which he described as "another cabinet leak", and as he quoted from this document, I wonder whether he would be prepared to table it so that it could be before the House in the proper manner. I realize this is a somewhat delicate matter.

Mr. Speaker: The rules do not, of course, provide for the tabling of documents, even official documents or so-called confidential documents, quoted in the House by private members. The rule only applies when such a document is quoted in debate by members of the government. It cannot apply to hon. members generally. The suggestion is very often made in debate, when hon. members refer to or quote from a document, that the document in question be tabled. Certainly we would become involved in a very complicated practice, a practice which could easily lead to abuse, if we made it possible for members generally to table documents. I think that is not the purpose of the rule dealing with the tabling of documents.

Mr. Woolliams: In the light of your ruling, Mr. Speaker—and I must agree with Your Honour that the rule does not apply in this case, which is why I suggested this was a somewhat delicate matter—perhaps the House would give unanimous consent to the document being tabled in the circumstances, bearing in mind the allegation the hon. member has made and that it seems to be a genuine document.

Some hon. Members: No.

Mr. Speaker: Obviously there is not unanimous agreement. In any case I would hesitate to seek the unanimous consent of the House to allow a private member to table a document. I doubt whether this would be a good practice in which to become involved.

Mr. Oberle: May I make one more comment?

Mr. Speaker: The hon. member should resume his seat. He can, perhaps, rise on a point of order but there should certainly be no debate after a ruling has been made. I will hear the hon. member if he has a point of order.

[Mr. Speaker.]

Mr. Oberle: The point concerns your reference to my conflict with another member of the House. It is not with another member of the House. It is with the Department of Indian Affairs and the government as a whole.

Mr. Speaker: The hon. member is, of course, doing what I suggested he cannot do once a ruling has been made.

ROUTINE PROCEEDINGS

FINANCE

INTERNATIONAL MONETARY CRISIS—TABLING OF COMMUNIQUÉ ISSUED FOLLOWING SECOND MEETING IN PARIS OF FINANCE MINISTERS

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, over a week ago the Minister of Finance (Mr. Turner) attended the first meeting of the Group of Ten and of the European Economic Community to discuss the exchange crisis, and later tabled the communiqué of that meeting. I should like to table the communiqué of the second meeting held last week in Paris.

[*Later:*]

Mr. Stanfield: Mr. Speaker, I have a point of order that I must raise because it never occurred to me that the President of the Treasury Board would simply file a statement in the House rather than making one. Therefore, in light of this very unusual procedure in the context of a worldwide emergency I must ask the minister whether he or the Minister of Finance will make a statement on motions in regard to this matter tomorrow in order to enable the House to discuss the question.

Mr. Drury: On the point of order, Mr. Speaker, I was not filing or tabling my statement. I was merely tabling the communiqué that resulted from the meeting last week in Paris which I attended on behalf of the Minister of Finance. Because of the widely publicized information given in the press last week I did not propose to make a statement on motions.

* * *

FISHERIES

REFERENCE TO COMMITTEE OF NORTH ATLANTIC ASSEMBLY RESOLUTION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under Standing Order 43 on a matter of urgent necessity. The continuing threat to Canada's marine resources in the North Atlantic dictates the need for emergency action by the Canadian government. I therefore move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the resolution on fisheries problems in the North Atlantic presented by an all-party Canadian delegation to the North Atlantic Assembly in Bonn, Germany, last November and accepted by the assembly comprising 15 nations of the alliance be referred to

the Standing Committee on Fisheries and Forestry for consideration and action.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Humber-St. George's-St. Barbe. This motion is made under the terms of Standing Order 43 and requires unanimous consent. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

INFORMATION CANADA

TABLING OF SECOND ANNUAL REPORT

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table the second annual report of Information Canada in both official languages.

* * *

[*Translation*]

FLOODS

CONSTRUCTION OF RETAINING WALL IN BERTHIER AND L'ASSOMPTION COUNTIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to propose a motion under Standing Order 43.

In recognition of the emergency situation in which the inhabitants of flooded areas of Berthier and L'Assomption counties now find themselves, and since the appropriate minister had already been requested to build a retaining wall, I move, seconded by the hon. member for Berthier (Mr. Yanakis):

That this matter be referred to a special committee by the Minister of Public Works, so that immediate measures may be taken to build a protective wall in the municipalities affected.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

Brandon University Chorale

• (1420)

UNEMPLOYMENT INSURANCE

DECENTRALIZATION OF ADMINISTRATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss a pressing matter.

This motion is about a problem which is quite urgent in view of the interest shown by the four political parties of the House in the course of our debates.

In view of the serious administrative problems now existing in the Unemployment Insurance Commission which are due to an excessive centralization of services, I move, seconded by the hon. member for Shefford (Mr. Rondeau):

That this House do appoint a special committee made up of representatives of the four political parties of the House in order to investigate the serious problems which exist within the Unemployment Insurance Commission, in the best interests of all Canadians. This special committee shall report to the House and present the relevant recommendations resulting from its findings.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

BRANDON UNIVERSITY CHORALE

EXPRESSION OF APPRECIATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, by unanimous consent under Standing Order 43 I would move a motion of appreciation to the Brandon University Chorale for introducing an atmosphere of harmony to Parliament Hill today. As proof of the new entente cordiale, the Chancellor of Brandon University, the hon. member for Winnipeg North Centre (Mr. Knowles), is seconding the motion.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair has very serious doubts about the propriety of this motion. I hesitate to say so in view of the circumstances of the event to which the hon. member is referring, but I doubt very much that it would be in order to put the motion. Of course, if this is what hon. members wish me to do I shall, but I think it will be a serious departure from the long established practice of the House if this type of motion is submitted. Is there unanimous consent?

Some hon. Members: No.

Oral Questions

SOCIAL SECURITY

OLD AGE AND VETERANS PENSIONS—PRESENTATION OF PETITION FOR IMMEDIATE INCREASE

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have the honour to present a petition signed by 29,880 people in Edmonton, urging all Members of Parliament "to do everything possible to bring about a significant increase in old age and veteran pensions immediately", which petition was personally presented by Mayor Ivor Dent of Edmonton this morning to an all-party delegation of members who welcomed the intention of the petitioners and the initiative of Mayor Dent. On their behalf I pray this House to accept the petition and table it.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

VIET NAM—REQUEST THAT HOUSE BE CONSULTED BEFORE DECISION MADE ON CONTINUING CANADIAN PARTICIPATION IN SUPERVISORY COMMISSION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question which is addressed to the right hon. Prime Minister.

Some hon. Members: Oh, oh!

Mr. Wagner: In response to my friends on the other side I would say—

[*Translation*]

Some hon. Members: In French!

Mr. Wagner: Mr. Speaker, I have a question for the right hon. Prime Minister.

[*English*]

In view of the fact that no statement—

[*Translation*]

In view of the fact that the Secretary of State for External Affairs made no statement to the House on his trip to Viet Nam, can the Prime Minister assure us that parliament will be consulted officially before any decision is taken concerning our participation in Viet Nam?

Some hon. Members: In English!

Mr. Wagner: Again, at the request of my friends across the way—

[*English*]

Mr. Speaker, in view of the fact that no statement has been made to the House—

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I doubt whether it is necessary for the hon. member to repeat the question in English. I would suggest to hon. members that, as we have only 40 minutes for the question period, if every question and answer are given in both French and English we might get into difficulty. I do not want to cause any difficulty to the hon. member for Saint-Hyacinthe.

[*Translation*]

The right hon. Prime Minister.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I merely wish to tell the hon. member that his off the cuff translation is very good and I shall ask the minister to answer the question personally.

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Muir: Now in French.

[*Translation*]

Mr. Sharp: It is my intention, Mr. Speaker—

[*English*]

Some hon. Members: Hear, hear!

Mr. Sharp: If I may translate, Mr. Speaker, it is my intention tomorrow, if I am asked by the Standing Committee on External Affairs and National Defence to appear before it, to answer questions and give some account of the visit that my colleagues from the New Democratic Party, the Social Credit party and myself and one member of the Senate made to Viet Nam. It would be my intention to make a statement in the House just as soon as we have reached a decision on whether we are going to continue or withdraw from the commission.

[*Translation*]

Mr. Wagner: Mr. Speaker, I would also like to put a question to the Secretary of State for External Affairs.

[*English*]

Would the minister please let the House know if it is the government's intention to consult the House before a decision is taken by the government on this subject?

Mr. Sharp: Mr. Speaker, as I have said in the House on a number of occasions, as is customary I think it is the responsibility of the government to make a decision and bring it before parliament. This I intend to do.

VIET NAM—MINISTER'S POSITION ON MEETING OF CONDITIONS FOR CONTINUED CANADIAN PARTICIPATION IN SUPERVISORY COMMISSION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I ask the Secretary of State for External Affairs a question on the statement which he did make, namely, the one after his return from the Paris conference. As a result of his conversations during his recent Indochina visit, is he in any way reassured now as to the actual conditions which he declared in Paris would be essential to Canada's continued participation in the International Control and Supervisory Commission?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. Our visit to Viet Nam tended to

confirm the position I expressed in the House that the International Control Commission is not operating very satisfactorily. The conditions that we laid down have been met to some extent, but the overriding question, of course, is whether the International Control Commission itself is making a useful contribution. The difficulty with this proposition, as the hon. gentleman knows, is that, while we may feel we are not making as much of a contribution as we would wish, I have received many requests from countries throughout the world that we should continue because notwithstanding our own doubts we are in fact making a very useful contribution.

REPLY OF NORTH VIET NAM TO INQUIRY RESPECTING LOST CONTROL COMMISSION PLANE AND PASSENGERS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, may I also address a question to the Secretary of State for External Affairs. In his reply to a question of mine as recorded at page 1051 of *Hansard* for February 7, the Secretary of State for External Affairs indicated his hope that the establishment of diplomatic relations with North Viet Nam would enable the government to be more effective in pursuing its inquiries relating to the loss in October, 1965, of a civilian International Control Commission aircraft on a scheduled flight from Vientiane to Hanoi. May I now ask the minister if, during his stay in Hanoi, he was able, because of the establishment of diplomatic relations, to make further inquiries about this matter and whether he received satisfactory answers from the North Viet Nam authorities explaining why the search for that civilian aircraft on International Control Commission business was held up for a matter of days, if not weeks?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as a result of having recognized North Viet Nam I was, of course, privileged to visit there and while there I raised the matter referred to by the hon. member. I explained the circumstances and asked if they would make further inquiries to discover whether these Canadians are still alive and, if so, where they are. I also took advantage of the occasion to inquire about Mr. Oppel.

• (1430)

Mr. Munro (Esquimalt-Saanich): Would the minister be prepared to have the International Commission for Control and Supervision asked to make a special inquiry into the fate of that plane and its passengers?

Mr. Sharp: Mr. Speaker, I might consider that, although I doubt whether it would be very useful. This event took place in 1966, I believe, and I think it would be difficult to do more than what I have done, namely, to have the government of North Viet Nam look into the circumstances and see that they can discover for us.

POLITICAL PRISONERS IN SOUTH VIET NAM JAILS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I would like to say that I welcome the Secretary of State for External Affairs back after his very valuable trip.

Some hon. Members: Hear, hear!

An hon. Member: Explain.

Mr. Brewin: The question I would like to put to him is whether he was able to secure any information or make any representations when he was in Saigon about the plight of the literally tens of thousands of political prisoners in jails in South Viet Nam? Was he able to do that, or will he report to us on that subject later?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am quite sure that when I appear before the committee tomorrow my hon. friend will address inquiries to me. May I just say by way of general information that when I did raise this question with the government of South Viet Nam they claimed there were only 5,000 such prisoners.

Mr. MacDonald (Egmont): Do you buy that?

Mr. Speaker: Order, please. Perhaps we should try to move to the second question. The Chair will recognize the hon. member for Ottawa West on a final supplementary and then see the hon. member for Waterloo.

VIET NAM—ATTITUDE OF LARGE POWERS FOLLOWING CEASE-FIRE AGREEMENT

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. In view of the fact there are few material differences between the current cease-fire agreement and that negotiated in 1954, in view of the fact the United States, by the admission of one of its former, now late, presidents, deliberately and systematically undermined that cease-fire, and in view of the fact President Nixon has recently threatened to resume bombing of the north because of alleged violations of the cease-fire agreement by North Viet Nam, was the Secretary of State for External Affairs able to discern during his trip any evidence of increased good will on the part of the United States, or other large powers that have armed the respective sides in the civil war, which leads him to believe that—

Mr. Speaker: Order, please. The hon. member is making a speech. The minister will be allowed, of course, to reply to the hon. member, but I have some difficulty in respect of the form of the hon. member's question. The preliminaries are perhaps not quite in order. Having said that, the minister should be allowed to reply to the hon. member's question.

Hon. Mitchell Sharp (Secretary of State for External Affairs): I think it would have been useful if I had had with me a member of the party opposite.

Some hon. Members: Hear, hear!

Mr. Sharp: I would be very happy to accept and to answer questions of this kind as best I can in committee when I appear. But the hon. member will have to depend upon my word and not upon the independent judgment he might otherwise have been able to make.

Mr. Reilly: On a point of order, Mr. Speaker, I resent being the subject—

Some hon. Members: Oh, oh!

Mr. Reilly: I will stand down when Mr. Speaker tells me to, not when you lugs tell me to. The question I asked the Secretary of State for External Affairs was, to the best of my knowledge and ability, a fair question and fairly placed. I take strong exception to being told that it was not a proper question. I also take strong exception to the Secretary of State for External Affairs' condescending put-down of a perfectly legitimate question.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Waterloo.

* * *

CANADA DEVELOPMENT CORPORATION

NEGOTIATIONS WITH GOVERNMENT TO TAKE OVER GOVERNMENT'S SHARE OF PANARCTIC OILS LIMITED

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Minister of Finance. Are negotiations now going on between the government and the Canada Development Corporation to take over the federal government's 45 per cent share of Panarctic Oils?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will have to take that question as notice and get an up to date report from the chairman of the Canada Development Corporation.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST FOR INVESTIGATION OF APPLICATION OF REGULATIONS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to put a question to the Prime Minister.

Considering the almost complete confusion existing within the administration of the Department of Manpower and Immigration and the conflicting statements of the minister concerning the application of regulations at the unemployment insurance offices, does the Prime Minister intend to set up a special committee of the House made up of representatives of the four parties to investigate the application of regulations and the procedure used by officials to find out the administrative defects and report to the House making proper recommendations?

Right Hon. P. E. Trudeau (Prime Minister): Since I do not accept the premises of the question, Mr. Speaker, the answer is no.

BENEFIT CONTROL—REQUIREMENT OF PROOF OF EFFORTS TO SECURE EMPLOYMENT—REQUEST THAT MINISTER INVESTIGATE

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

[Mr. Reilly.]

Can he tell this House unequivocally whether any particular instruction has been given to the unemployment insurance offices ordering them to refuse to pay any benefits where there is not enough proof that the beneficiary has actually sought employment and, if so, can the minister say when these instructions have been issued?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not accept the premise that there have been confusing instructions sent.

[*Translation*]

Mr. Fortin: Mr. Speaker, I realize that the minister cannot accept this since he is not aware of what is going on at the Unemployment Insurance Commission, but I would like to put a supplementary.

Could he honestly inquire from the commission or one of the deputy ministers to find out since when claimants are required to file written proof that they are actively seeking employment and, if so, could he honestly inform this House?

[*English*]

Mr. Andras: Mr. Speaker, the act requires claimants on unemployment insurance benefits to be actively searching for work and it calls for the commission to enforce that act. In the process of enforcing the act they ask claimants to indicate, sometimes in writing and sometimes verbally, that they are in fact looking for work actively.

[*Translation*]

Mr. Speaker: The hon. member will be allowed a supplementary and then I shall recognize the right hon. member for Prince Albert.

Mr. Fortin: Thank you, Mr. Speaker.

Is the hon. minister aware that when a claimant applies for a job the prospective employer tells him that he deals with manpower centres and that furthermore the Unemployment Insurance Commission demands that each claimant not only registers in manpower centres but also supplies written proof that he is seeking employment, so that if he complies with these requirements he is denied benefits?

[*English*]

Mr. Andras: Mr. Speaker, there is a requirement that unemployment insurance claimants register with manpower, but there is not a requirement that that is the only place where they can seek work. We encourage recipients of unemployment insurance benefits to seek work beyond manpower offices, through union hiring halls or in any way they can because we think that the best way for them to get off the unemployment insurance rolls is to find a job.

EXTERNAL AFFAIRS

REPORTED INFILTRATION OF NORTH VIET NAM TROOPS AND TANKS INTO SOUTH VIET NAM

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. In doing so I suggest that while the committee has its place, questions have to be answered in the House. Having visited South Viet Nam some two years ago I know something of the difficulties of that country and its terrain. My question arises from the fact that the President of the United States has stated, on the basis of information available to him, that thousands of troops are infiltrating from North Viet Nam into South Viet Nam and large numbers of tanks are following into that area. Now that the minister has been over there and has seen at first hand, did anyone bring to his attention when he was there that this was going on, and is he in a position to say, because of his first hand knowledge gained through personal observation, whether there is in fact that infiltration not only of manpower but of munitions into the south?

• (1440)

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, one of the problems that is causing us concern with relation to the International Control Commission is just the kind of question raised by the right hon. gentleman. There have been thousands and thousands of incidents—

Mr. Diefenbaker: Of what?

Mr. Sharp: —thousands and thousands of incidents of breaches of the truce, which have been admitted on all sides, including the kind of breach of the truce represented by the movement of people and supplies down the Ho Chi Min trail into South Viet Nam, but the International Control Commission has never been asked nor permitted to make any investigation.

Mr. Diefenbaker: Mr. Speaker, if thousands of North Vietnamese troops are getting into South Viet Nam with tank equipment on such a large scale as stated by the President, that is more than one incident among thousands. It is very serious to the future of a continued interregnum toward peace. Surely the minister is able to tell the House, having consulted with so many, for so long, in so many places—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: —whether or not there are in fact thousands and thousands of North Vietnamese getting into South Viet Nam along with military equipment, which can only lead to aggressive war?

Mr. Sharp: Mr. Speaker, all the information that I gleaned while I was in Viet Nam and in Laos tends to confirm the statement made by the right hon. gentleman now. All I am saying is that Canada is trying to work on an international control commission where these matters would not be charges and countercharges but could be ascertained as a matter of fact. Unfortunately that is not the way the International Control Commission is now working.

Mr. Diefenbaker: How is it working then when a serious situation has arisen such as I have pointed out and which, after two questions, the minister now agrees has actually taken place? What is the Central Commission doing to meet the serious situation that will arise in consequence of such dangerous action on the part of the North Vietnamese?

Mr. Sharp: Mr. Speaker, as I have said on many occasions in the House, in the committee and elsewhere—

Mr. Diefenbaker: That was before the minister went there.

Mr. Sharp: —the International Control Commission cannot keep the peace. That must be done by the parties to the peace agreement. All we can do is observe and report upon alleged breaches of the truce. The problem at the moment is that the commission is neither being asked nor being given the necessary clearance to investigate these breaches of the truce. Otherwise I should not have taken the attitude I have toward our continuation on the commission.

Mr. Diefenbaker: That is a frightening admission.

* * *

DRUGS

REQUEST FOR LIST OF DRUGS THAT FAILED TO MEET TESTS AND NAMES OF COMPANIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the fact that 3 per cent of the drugs that have been tested by his department under the QUAD program have failed to meet the standards set by the department, when does the minister intend to make a statement listing the names of the drugs that have failed to meet the standards, and the names of the companies that produce those drugs?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I had a meeting yesterday with the Minister of Justice in this regard and I hope to be able to release the names as early as possible. However, I still must have some legal points clarified by the Minister of Justice in this connection.

[*English*]

Mr. Orlikow: In view of the fact there cannot be any question about the right of the minister to make a statement in the House, is there any reason that the minister cannot make that statement in the House giving Members of Parliament and the public, who are vitally interested in this question, information to which they are obviously entitled?

[*Translation*]

Mr. Lalonde: Mr. Speaker, the matter that the Minister of Justice and I are studying at the moment is linked to

difficulties that might arise from proceedings that might be started in the near future and I should not wish to cause any prejudice to those involved.

* * *

[*English*]

FINANCE

INTERNATIONAL MONETARY CRISIS—POSITION OF CANADIAN DOLLAR VIS-À-VIS UNITED STATES DOLLAR FOLLOWING PARIS AGREEMENT

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the President of the Treasury Board or the Minister of Finance. In light of the agreement reached in Paris last week that the European currencies would float but would float within some sort of range and would be a sort of dirty float, were any commitments made by the government of Canada with respect to the position of the Canadian dollar vis-à-vis the United States dollar, that we would move to a range and keep us in parity in that way?

Hon. C. M. Drury (President of the Treasury Board): No, Mr. Speaker. The level of the Canadian dollar is to be determined by the market.

Mr. Gillies: Does that mean that Canada did not agree with or participate in the 14-nation agreement?

Mr. Drury: Mr. Speaker, unfortunately the hon. gentleman perhaps has not had a chance to read the communiqué. We did participate in the agreement. The agreement provided that while certain European currencies would be kept within a fixed margin of two and a half per cent, the Canadian currency, along with some others, would float.

INTERNATIONAL MONETARY CRISIS—PARIS AGREEMENT—ARRANGEMENTS TO CURTAIL EXPANSION OF MONEY SUPPLY IN EUROPEAN COUNTRIES AND CURB INFLATION

Mr. Lloyd R. Crouse (South Shore): I have a supplementary question, Mr. Speaker. Now that the European currencies of Germany, France, Belgium, Holland, Luxemburg and Denmark are floating jointly in relation to the United States dollar, and as the U.S. dollar is for all practical purposes also afloat, what agreement was reached by the participating countries to apply a break on the expansion in those countries of the money supply in order that currencies that are afloat will not go adrift and so that inflation may be curbed?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, if I understand the question correctly the hon. member is asking what device will the European countries use to ensure that inflation does not allow disparities to occur, interrupting this joint arrangement. The answer, I think, is the fiscal mechanisms, the monetary mechanisms, of the European Economic Community. The ministers were conscious of the fact that one of the dangers to be guarded against in every country was the threat of inflation.

[Mr. Lalonde.]

Mr. Crouse: Mr. Speaker, I would like to ask the minister a brief supplementary. Was any agreement reached to remould the world monetary system so that there will not be an Atlantic trade war, with the European countries applying import charges on one side and Canada and the United States applying them on the other side?

Mr. Drury: Mr. Speaker, I think it would not be exaggerating too much to say that the main thrust of the previous meeting and of this one was to avoid just such an eventuality, and there is some hope that we have been successful in this respect.

Mr. Speaker: Order, please. There are a number of members seeking supplementaries on this topic. The Chair will recognize the Leader of the Opposition and then the hon. member for Simcoe North who has a supplementary to the previous question. After that the Chair will attempt to see some of the members in the third, fourth and fifth rows.

INTERNATIONAL MONETARY CRISIS—CONSIDERATION AT FINANCE MINISTERS CONFERENCE OF MEASURES TO CONTROL MOVEMENT OF SHORT-TERM MONEY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, perhaps I should ask the President of the Treasury Board whether the government is afloat, adrift or sinking.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Stanfield: But I will ask him whether any conclusions were reached at the conference with regard to any measures to control the movement of short-term money, which is being used on such a massive scale to raid various currencies of the world? Was any solution reached with respect to this urgent problem?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, in response to the hon. gentleman's search for guidance in his first question, let me say that the government is afloat, and fully afloat.

Mr. Stanfield: A clean float or a dirty float?

Mr. Drury: As to the second question, at the present time there is a lack of precise knowledge as to the sources and effectiveness of these various large capital movements of a speculative nature. The governors of the central banks will do some research into this problem and hopefully come up with a device or series of devices that will restrain these movements. I may also say that there is recognition of the fact that the large overhang of Eurodollars does represent a continuing threat, and steps are contemplated to try to remove this to some degree.

• (1450)

DRUGS

REQUEST FOR ASSURANCE THAT DRUGS ON MARKET ARE SAFE

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the widespread anxiety and fear on the part of many people who are using lifesaving drugs with regard to the threefold increase in the deterioration of drugs over a period of one year, can the minister assure the House that those lifesaving drugs have now been thoroughly checked and that no unsafe drugs are on the market?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all I should like to say that it has not been a 3 per cent increase. Under the QUAD program 3 per cent of drugs tested were rejected, while previously, not under the program that we have at the present time, the rate was around 1 per cent. This was a different program carried out in a different way. As far as the testing of drugs that have been found faulty, they have all been withdrawn from the market and destroyed. I cannot give the assurance to the hon. member that all drugs on the market now are safe. That would mean checking every lot of every drug all the time.

Mr. Rynard: May I ask the minister how long it will be before those drugs are checked? The firms that make these drugs are known. He has been asked that question before.

Mr. Lalonde: Mr. Speaker, all the drugs mentioned have been checked and the lots that have been found faulty, as I said, have been withdrawn from the market and destroyed.

Mr. Rynard: Is the minister assuring me that none of these inferior drugs are being sold today?

Mr. Lalonde: None of the drugs that have been found faulty are on the market today.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED INCREASE IN FUNDS

Mr. Harry Kuntz (Battle River): Mr. Speaker, may I address a question to the Minister of Manpower and Immigration. In view of the fact that many worth-while employment creating projects have not been approved under the local initiatives program because of a lack of funds, in view of the fact that there are still approximately 11 weeks left until May 31, the completion date of these projects, and as these weeks are normally a period of good construction weather, would the minister tell the House if he has any plans at this time to place more funds in the local initiatives program?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, if such a decision is made I will place it before the House.

* * *

INCOME TAX

ISSUING OF T4U AND TP4U SLIPS BY UNEMPLOYMENT INSURANCE COMMISSION

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I wonder, while I am on my feet and to save the Leader of the Opposition the necessity of chasing me, if I could reply to his question of yesterday expressing concern about a possible delay in sending out TP4U slips for unemployment insurance. I have been advised that the commission met its statutory obligation to mail income tax statements by February 28, 1973, in the number of 1,918,717 T4U and TP4U slips. Of these, 55,650 were undeliverable, mainly because of change of address of the recipients. However, as a result of the advertising campaign and other measures launched by the Unemployment Insurance Commission, 38,000 people have contacted the UIC and received duplicate T4U slips for those that were not delivered because of the address problem. We are continuing to do our best to locate these people.

* * *

[*Translation*]

INDIAN AFFAIRS

REPORTED CONFINEMENT OF TWO ESKIMOS IN MENTAL HOSPITAL—REQUEST FOR INVESTIGATION

Mr. John Harney (Scarborough West): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development.

I should like to ask the minister if he is acquainted with recently published reports stating that two Eskimos are more or less being kept prisoners in a Brossard mental hospital, and whether he has asked officials of his department to intervene. If so, what stage has the inquiry reached?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have received no reports of this, but I will make inquiries immediately and report to the hon. member tomorrow.

[*English*]

Mr. Harney: Mr. Speaker, I shall break into English now as I wish to quote from an English document and I cannot translate it too well. May I ask the minister if the policy implications that are involved in this report are indeed the policy of his department? The assistant administrator of the hospital said:

> They—
>
> The Eskimos.
>
> —were forced on us by the Department of Indian Affairs. We told federal authorities the only space we had was in a basement room, and they agreed.

Is this indeed the policy of the minister's department?

Mr. Speaker: Order, please. A question asked in those terms is not in order. The question should be asked directly rather than in relation to a statement made outside the House. The minister may reply, after which I shall recognize the hon. member for Ottawa East.

Mr. Chrétien: Mr. Speaker, the only thing I can say is that it is certainly not the policy of the department, but there are always errors. I will make inquiries and reply tomorrow in French.

* * *

NATIONAL CAPITAL

INQUIRY AS TO PURCHASE OF LASALLE ACADEMY BY GOVERNMENT

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, I should like, through you, to ask a question of the Minister of State for Urban Affairs. Would the minister please tell the House whether or not historic LaSalle Academy, situated in my riding on Sussex Drive, has been purchased by the federal government and, if so, for what purpose the building has been acquired?

Some hon. Members: Order paper.

Mr. Speaker: I hesitate to suggest this to the hon. member, but this would be a very good question to consider at the time of adjournment. The hon. member would be entitled, because of the urgency and importance of the matter, to some priority in having the question considered at ten o'clock.

* * *

PENITENTIARIES

MILLHAVEN—POSSIBILITY OF PUBLIC INQUIRY INTO RIOT

Mr. A. D. Alkenbrack (Frontenac-Lennox-Addington): Mr. Speaker, my question is for the Solicitor General and pertains to the recent riot by convicts at Millhaven Institution in which thousands of dollars worth of wilful damage to public property was done by the inmates. Will a public inquiry be held in order that the government and the Canadian people may know the facts concerning this incident?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the situation at Millhaven is almost back to normal.

Some hon. Members: Oh, oh!

Mr. Bell: Explain.

Mr. Allmand: Some aspects of the disturbance are being investigated by prison officials, other aspects by the Ontario Provincial Police, and I expect reports shortly. At this stage a further inquiry does not appear necessary, but I will await the reports referred to before making a final decision.

[Mr. Harney.]

Mr. Alkenbrack: Has the Solicitor General's department laid informations and charges against the rioters in the provincial court at Napanee?

Mr. Allmand: Not yet, Mr. Speaker, but disciplinary action and possibly criminal action are being considered. We are awaiting the reports I referred to.

Mr. Speaker: The hon. member for Hastings.

* * *

TRANSPORT

RAILWAY ACCIDENTS—STEPS TO PROTECT PASSENGERS—SUGGESTED INQUIRY

Mr. J. R. Ellis (Hastings): Mr. Speaker, may I direct a question to the Minister of Transport.

An hon. Member: Mr. Speaker got the riding right.

Mr. Ellis: That is all right. Mr. Speaker got the riding almost right the last time, and I am happy that he got it right this time. On March 9 I asked the Minister of Transport a question regarding the safety of the travelling public on trains. Yesterday, just ten days later, there was another major train derailment just south of Ottawa in roughly the same area. This was not a passenger train—

Mr. Speaker: Order, please. Would the hon. member ask his question?

Mr. Ellis: Will the minister tell the House what steps he has taken to protect the travelling public and if he is undertaking an inquiry into the frequency and severity of these accidents?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the Canadian Transport Commission has an investigation committee composed of representatives of the industry and officials of my department and charged precisely with improving security measures.

As to the accident which has just been referred to, I am told that a railroad car of chemicals was overturned and it will doubtless be necessary to adopt stricter regulations in order better to protect the people and the environment.

* * *

[*English*]

AGRICULTURE

TAXATION OF MARKETING QUOTAS—ASSIGNMENT OF VALUATION DAY VALUES

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, may I direct a question to the Minister of Agriculture. On March 6 I asked the minister what steps he was taking to place valuation day values on farm marketing quotas because of the criticism of farm organizations of the budget provisions in this regard. At that time the minister advised that it was his opinion that these groups, specifically the Canadian Federation of Agriculture, were not all that dissatisfied. In light of the briefs and other opinions

received by the minister in the last two weeks universally condemning this inequity in the budget, would the minister now advise what steps he has taken or intends to take to assign valuation day values to these quotas?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am still of the same opinion as I was before.

Mr. Jarvis: Did the minister hear the brief?

Mr. Whelan: Yes, I certainly did hear the brief and I also met with the president of the Canadian Federation of Agriculture this morning and discussed it further with him.

* * *

• (1500)

[*Translation*]

INQUIRY OF THE MINISTRY

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

Is he willing to provide assistance to the Minister of Manpower and Immigration so as to solve the many problems now existing within the Unemployment Insurance Commission, especially in Quebec, like he did for the management of the local initiatives program in Quebec?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the Minister of Manpower—

Mr. Speaker: Order.

* * *

[*English*]

FINANCE

RECONVERSION LOAN—REASONS FOR ALLEGED POOR RECEPTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to direct a question to the Minister of Finance. Will the minister advise the House what reasons have been reported to him by his officials for the very poor reception the government's $450 million reconversion loan has received on the bond market since it was presented, and does the minister have any steps in mind to improve this situation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the new $450 million refunding issue was brought to the market at a time of great uncertainty in international money markets. This was evidenced by the news on Monday morning of an increase in some United States commercial bank prime rates from 6¼ per cent to 6¾ per cent. While the design of the new issue and its pricing reflected recommendations received from primary distributors and also anticipated difficult market conditions, it did not fully offset the market reaction to developments in the United States market. None the less, the new issue has been largely placed and it is expected that it will soon be fully sold.

UNEMPLOYMENT INSURANCE

POSSIBILITY OF SOME PERSONS PREFERRING TO DRAW BENEFITS RATHER THAN LOOK FOR WORK

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct my question to the Minister of Manpower and Immigration. In reply to a question today the minister stated that recipients of unemployment insurance were being disqualified because they were not actively looking for work. While I personally endorse that position, I ask the minister whether he is now stating that jobs are in fact available, and that these jobs are not being filled in some cases because unemployment insurance recipients would rather stay on benefits than look for work?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, with regard to the first part of the question, an active search for work requirement is exercised in areas where there have been jobs identified. As to the second part of the question, I do not agree with it. I think that nearly all the claimants on benefit are actively searching for work and would prefer to work.

* * *

PENITENTIARIES

NEW WESTMINSTER—ACTION TO ALLEVIATE OVERCROWDING

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Solicitor General. It is prompted somewhat by the earlier question dealing with the Millhaven institution. I wish to direct the minister's attention to the British Columbia penitentiary. How long can the B.C. penitentiary be expected to continue with the kind of overcrowding it has and of which the minister is aware? Can the minister give the House some indication when that overcrowding is going to be alleviated?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I cannot give the hon. member an exact date. We have approved new maximum security facilities to be built in New Westminster to take up some of the surplus population at the present New Westminster penitentiary, but I do not know exactly when construction will begin.

* * *

THE BUDGET

ALLEGED DISSATISFACTION OF FARM ORGANIZATIONS WITH PROPOSALS—POSSIBLE CHANGES

Mr. John Wise (Elgin): Mr. Speaker, I want to direct a question to the Minister of Finance. In view of the dissatisfactions that have been expressed by national farm organizations, producer groups and individuals concerning the lack of adequate tax changes in the recent budget, is the minister considering any changes in the near future to eliminate these hardships and, if so, when?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I presume the hon. member is referring primarily to the tariff changes. The Minister of Agriculture and myself

have set up a committee to review any adverse effects that may be established or proved under the tariff cuts. If any changes are to be announced they will be announced to the House in due course.

* * *

HARBOURS

LADNER, B.C.—DATE OF COMMENCEMENT OF DREDGING

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I wish to direct a question to the Minister of Public Works. It concerns questions I directed to the minister two weeks ago about Ladner harbour. At that time he told me the government often tries to do the impossible but could not promise it. When I asked my next question the minister said he had heard my submission. In that two weeks has the government decided when the dredging of Ladner harbour will commence?

[*Translation*]

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I said several times that dredging operations would—

[*English*]

Mr. Speaker: Order, please. That question is perhaps of the same type as another question asked earlier and normally should be placed on the order paper.

* * *

LABOUR RELATIONS

REQUEST BY RAILWAY COMPANIES FOR CONCILIATION SERVICES—GOVERNMENT ACTION

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Labour. In his absence, possibly the parliamentary secretary could answer it. In light of the request by the railway companies for the conciliation services of the Department of Labour and in view of the statement by the minister that a federal conciliation board would probably be set up to deal with the contract dispute, can the parliamentary secretary inform the House what progress has been made in the negotiations between the dissident parties?

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, this question is under advisement with the department. A conciliation officer will be appointed shortly.

* * *

ADMINISTRATION OF JUSTICE

POSSIBLE REFORM OF BAIL AND PAROLE PROCEDURES IN VIEW OF RECENT CRIMES OF VIOLENCE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I wish to direct a question to the Minister of Justice. In view of yet another recent murder here in Ottawa my constituents have requested that, on their behalf I

demand to know how much longer the government is planning to allow known potential murderers—

Mr. Speaker: Order, please. Perhaps I interrupted the hon. member too soon. I was trying to recognize as many questioners as possible before calling orders of the day. I had the impression that the hon. member's question asked in those terms was perhaps argumentative. However, I will allow him to complete the question and perhaps the minister might be allowed to reply.

Mr. Jelinek: Thank you, Mr. Speaker. I will try to rephrase my question. In view of recent murders, including one here in Ottawa, I wish to ask the Minister of Justice how much longer the government is planning to allow known potential murderers, whether on bail or on parole, to roam our streets and endanger the lives of innocent Canadians? Also, are any immediate steps being taken to make the necessary changes in the Bail Reform Act and, if so, when can we expect improvements in this regard and what will they be?

Mr. Speaker: If the minister can reply briefly to all of these questions he will be recognized for that purpose, but I have some reservations about parts of the hon. member's question.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, certainly, the doubts are there, but I thank you for the opportunity to say that the question is both illogical and completely improper in suggesting that kind of motivation on the part of the government.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Hees: Everyone out of step but Otto.

Mr. Speaker: The hon. member for Cumberland-Colchester North.

Mr. Hees: How can one man be so right?

Mr. Coates: All right, George; that's enough.

Some hon. Members: Hear, hear!

* * *

POWER

PROPOSED BAY OF FUNDY TIDAL PROJECT—REQUEST FOR REPORT

Mr. Robert Coates (Cumberland-Colchester North): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Is the minister in a position to provide the House with information as to the status of the re-examination of the programming board report on tidal power that has been going on for some time? Is he in a position to indicate when that report will be presented to the House?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the board recently conducted a seminar in connection with this particular question with other interested parties. I understand they are con-

tinuing with their studies. At the moment, I have no definite date when they will be in a position to report.

* * *

GRAIN

RAPESEED—INQUIRY AS TO GOVERNMENT POLICY ON MARKETING

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, my question is directed to the minister responsible for the Wheat Board. In view of the fact that the speculative marketing of rapeseed is a mint for the private traders and the rapeseed producer is being shafted since price spreads between country elevator points and export position in Vancouver regularly range over 70 cents a bushel, is the minister now prepared to declare official government policy to overcome this situation?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as I think the hon. member knows, rapeseed is sold on the open market and is not subject to direct government control. Even so, I will say that I do not accept the premise of his question. On the other hand, it has been clearly stated many times that we propose to put to producers in the near future a question about their wishes with regard to the marketing of rapeseed and to follow the wishes of the producers.

* * *

• (1510)

REGIONAL ECONOMIC EXPANSION

PROBLEMS OF MUNICIPALITIES IN DEALING WITH PROJECTS—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, having been informed yesterday by D. G. Newman, President of the Canadian Federation of Mayors and Municipalities, that the federation was dissatisfied with municipal participation in DREE projects and having seen the minister's statement in the Montreal *Gazette*—

Mr. Speaker: Order, please. I suggest to the hon. member and others that it is not in order to preface questions by statements or allegations or "whereas" clauses. Questions should be asked as briefly as possible. Hon. members should come to the point in asking their questions.

Mr. MacKay: Thank you, Mr. Speaker. I will keep it simple. May I ask the minister whether he has found any means or device to ameliorate the problems encountered by municipalities in dealing with DREE projects?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): To the best of my knowledge, the president did not make the reference apparently attributed to him in the newspaper item. In answer to the substantive part of the question, may I say I had a further meeting with the president yesterday afternoon, and with other mayors, and we have been considering a number of alternatives which I shall be glad to discuss with the hon. member or with the committee at any time.

* * *

FINANCE

REQUEST FOR BREAKDOWN OF ESTIMATED CASH REQUIREMENTS FOR FISCAL YEAR 1973-74

Hon. Robert L. Stanfield (Leader of the Opposition): I should again like to ask the Minister of Finance whether he can give me a breakdown of his cash requirements announced for the next fiscal year. I assure him that I am not fussy about the form in which this is done. If he would just send it across the floor to me I would be very happy to receive it.

Hon. John N. Turner (Minister of Finance): I have looked into the practice very thoroughly. The practice with regard to both budgetary and non-budgetary items is to present them in a global fashion. I believe there are sound reasons for this practice. In the first place, the non-budgetary forecast contains provisions, the release of which could be prejudicial to the dealings between the Minister of Finance and Crown corporations whose budgets I still have to approve, and discussions between government departments or agencies and the private sector might well be prejudiced were those figures prematurely released. I assure the hon. gentleman that I am relying on the past practice of ministers of finance either from his party or mine.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO ESTABLISH A NATIONAL TRANSPORTATION POLICY

Mr. Don Mazankowski (Vegreville) moved:

That this House, noting that the government has failed to bring about an integrated overall national transportation policy, and further noting the inadequacies of ministerial response to Canada's transportation problems, deplores the government's failure to recognize that Canada's transportation is vital to Canadian unity, regional equality, the encouragement of resource development, the increase of international and domestic trade and the betterment of the urban and rural quality of life and urges that immediate action be taken to establish an over-all national transportation policy to bring about these objectives.

He said: Mr. Speaker, it is with a great deal of pleasure that I present this motion to the House this afternoon on behalf of the Progressive Conservative party. I believe the motion bears particular significance inasmuch as the minister responsible for transport has said very little about transportation during the present parliament. I believe, also, it is obvious that the government has failed to recognize the fact that there is, indeed, a transportation problem in this country and that it must be tackled immediately.

Transportation Policy

I am sure there is no one here who doubts that one of the most important issues facing Canada today is the need to develop a sound, co-ordinated, futuristic transportation system. Indeed, it is fair to say that developments in the next 20 years will play a major part in defining that future. On September 1, 1966, when the Hon. J. W. Pickersgill introduced his new policy for transportation, he spoke in glowing terms of what it would mean for the future. According to Mr. Pickersgill, a framework had been created in which transportation would operate not only to serve the public but also to better insure the Canadian treasury and the Canadian taxpayer against unnecessary and undue charges, and, in some cases, duplicated charges for duplicated services. Unfortunately, the government has totally failed to develop a national transportation policy—

Some hon. Members: Hear, hear!

Mr. Mazankowski: —pursuant to section 3 of the National Transportation Act, and has failed to take measures to revitalize and rebuild Canadian transportation so as to meet present and future needs. As a result of this inaction, we have failed to achieve the two goals of which Mr. Pickersgill spoke. The public is not getting the kind of service to which he referred, nor are taxpayers relieved of what he described as unnecessary and undue charges levied against them.

As a result of the legislation brought down in 1966, the railways have parliament and the minister right where they want them. The companies eliminate services, remove railway stations, close crossings, raise freight rates without any regard for the effects on the people concerned, without any regard for social disruption or the impact on the economy, particularly on the economy of the smaller communities affected. Yet, the people pay. They pay the price in huge subsidies and they pay the price by being deprived of services.

I believe the railways have an obligation not only to provide services. I believe they also have a social and moral responsibility. They grew as this nation grew. They form an integral part of our country. Though now through government hand-outs and their own approach to business they have become stale and stagnant. They have adopted a policy of driving business away, especially in the area of passenger traffic. There is plenty of evidence to support this contention. I am sure every member of the House has received communications from throughout the country critical of railway passenger service. While this is going on, losses climb and taxpayers foot the bill. At the same time, they must suffer discontinuation of services, loss of facilities, confusion and frustration.

One wonders what to expect from the government. The Speech from the Throne contained some reference to transportation but used words like "explore", "examine", and "recognize". Such words can only lead one to conclude that the government is without a policy to deal with transportation issues, though this area is vital to the future of our social and economic fabric. I think it is time we took a bold, new approach toward solving the transportation problems of this country. It is imperative that we do so. The government's inaction is a further manifestation of its bankruptcy of ideas and its total failure to communicate with the provinces and with the people.

Some hon. Members: Hear, hear!

Mr. Mazankowski: I repeat that bold, positive initiatives must be taken. In the Speech from the Throne the government, as its fourth economic objective, proposed to ensure "that all regions benefit from the prosperity brought about by an expanding economy". No one can argue with that objective. The objective, however commendable, cannot, and I submit will not, be achieved without overcoming some of the gross inequities that are prevalent in our transportation system, particularly as they affect the western provinces and the maritime regions in our country. I say to the minister, through you, Mr. Speaker, that if he wants to stamp out western alienation let him start with an equitable transportation system and an equitable freight rate structure. No longer is the west interested in simply supplying raw materials and export jobs to the central regions of Canada. If the minister wants the economy of the Atlantic provinces to flourish, let him overhaul the transportation system. For far too long now inept transportation policies have stymied growth and development in this region.

• (1520)

It was just last week that two of our national farm organizations met with Members of Parliament and with the government in the city of Ottawa. Both of these farm organizations used words like "urgent", "critical" and "crucial" with reference to the challenge of overcoming the problems in our transportation system. They advised us that it is vital to overcome some of the inequitable features of our transportation policy if the needs of our agricultural industry are to be met, particularly in the area of fruits and vegetables. If this country is to maintain its leadership role in the supplying of nutritious foods at reasonable cost, it is vital that we take positive steps to overcome transportation inequities as they relate to the maritime provinces. Furthermore, if we are to develop to a greater degree the processing of our agricultural products in the areas where they are produced, then it is imperative too that we institute a more equitable transportation scheme.

What is the government doing about this, Mr. Speaker? In particular, what is the minister doing about this problem? The minister says that he is enjoying his post, but are we getting any leadership from the government or from this minister?

Some hon. Members: No.

Mr. Mazankowski: Of course, the answer is no. Are we getting any answers on important matters of policy which we raise in this House of Commons?

Some hon. Members: No.

Mr. Mazankowski: Again, the answer is no. Is the minister doing anything about the serious problems that are brought before this House day by day during the question period?

Some hon. Members: No.

Mr. Mazankowski: The answer, of course, is no. What I say is in no way to be construed as a personal attack upon the minister; I know him to be a very personable and amiable chap. He may even be somewhat sympathetic to the needs of transportation. But I am not really sure whether he is interested in transportation, and I am not so sure that he is really happy about his portfolio. Above all, I am not sure that he is really serious about the importance of his portfolio. Perhaps he might enlighten us a little today.

When we review the performance of this minister in this parliament during the period January 4, 1973 to March 12, 1973 the minister is found to have replied inadequately to about 108 questions in this House of Commons. The minister's answers to questions that have been directed to him are punctuated with expressions such as "I think"; "I do not think"; "I believe"; "I do not know"; "I will inquire"; "I will take notice"; "I cannot"; "I am not aware"; "It may be"; "it might"; "it probably"; "I will check"; "when"; "it is very difficult", "in a few weeks"; "as soon as" and "I hope".

Some hon. Members: Hear, hear!

Mr. Mazankowski: I am very happy to see the minister checking some of these punctuated expressions, and as I said before this should certainly not be construed as a personal attack upon the minister. I appreciate the fact that he is taking it in good form.

Furthermore, the minister seems to engage in a game of buck-passing, perhaps because of his lack of knowledge, or because of his attitude toward hon. members on this side of the House, or because of the government's lack of policy. I must say that his repertoire of non-commital catch-phrases serves him exceptionally well in warding off any commitments by his department or the government. This non-commital, non-answer philosophy of the minister can only result in further confusion and disservice to Canadians in an area where an effective policy is most essential in combatting regional disparity and promoting national unity.

When the minister spoke in the debate on the Speech from the Throne, he even failed to mention transportation or to elaborate to any degree on the promises which were put forward in the Speech from the Throne. Instead, he harped about the French-English language problem with reference to the election backlash. When he was asked in the House whether he would tell the House what he intends to do about our transportation problems, he simply ignored the question. He engaged in a game of chastising some hon. members for raising certain issues during the election campaign.

In addition, the minister has repeatedly promised in this House to look into such matters as rail line abandonment, rail passenger service, improved airline service, station agency closures, price competition among our airlines. We have not received any answers to these questions. Most of the answers that he has given us are in the form I have just described He and other ministers preceding him have often shrugged off inquiries about increasing travel and freight costs by stating that the Canadian Transport Commission has the authority over such matters. The Canadian Transport Commission itself is an ineffective, misguided and confused authoritative body under the semi-leadership of the Minister of Transport and the direct guidance of Mr. Benson. The latest example is the fiasco of the manner in which it handled the ABC charter regulations, which from time of inception created confusion, and even today we still do not know what is the accurate interpretation of these charter regulations.

The CTC has not carried out the duties assigned to it by Section 3 of the National Transportation Act. It has not concerned itself with the needs of the public and those who use the services of our transportation system; rather it has dedicated itself to the protection and preservation of our airlines and the railways.

• (1530)

Part III of the National Transportation Act which deals with motor vehicle transport is no closer to being implemented today than it was when the act was written, notwithstanding the fact that there have been a number of federal-provincial consultations in this regard. This is most discouraging, Mr. Speaker, and it is unfair to the trucking industry because of the lack of uniformity in highway regulations from province to province. Failure to implement Part III of the act makes it virtually impossible for the Canadian Transport Commission to respond effectively to Section 21 of the act, the object of which is to co-ordinate and harmonize the operations of all carriers engaged in transport by rail, water, aircraft, motor vehicle and pipeline. Truckers, particularly those from western Canada, tell us that it is easier for them to travel the American routes than the trans-Canada route because of the different regulations from province to province. Does that promote national unity Mr. Speaker? Definitely not!

The present minister and his predecessors have persistently said that they have no authority over the Canadian Transport Commission. Whether this is merely passing the buck or a reluctance on their part to become involved in aiding Canadians in the midst of the transportation crisis, I am not sure. However, it appears, according to the ministers, that the Canadian Transport Commission is an autonomous entity and parliament cannot control it. If this is the case, I suggest that the structure should be revamped so that its decisions will not continue to have the detrimental effects they now produce not only on Canadians but on the economy as well.

I want to say to the minister, through you Mr. Speaker, that the answers we have been getting to the transportation problems that effect our country are far from satisfactory. I believe it is fair to say that hon. members on this side of the House are not going to tolerate these non-answers for much longer. I do not believe we are going to tolerate the inexcusable lack of action in various areas of the transportation portfolio. I believe that the time has come when the minister should start levelling with us in the House of Commons and give us some of the information that we so rightly deserve.

However, I am informed that there may be a new era coming. I am informed that a gentleman by the name of Jim Davey has been assigned to the office of the Minister of Transport (Mr. Marchand). According to my information he was previously attached to the Prime Minister's office and was in charge of special projects.

An hon. Member: Where did he run?

Mr. Mazankowski: Mr. Davey has an interesting background as evidenced by his two most recent occupations. He was formerly the vice president of the chartered accountant firm of Peat, Marwick, Mitchell & Co. of Toronto, the firm which was involved in the controversial CNR auditor switch. This was the move that saw the auditor changed via the Benson-Turner formula without parliamentary approval. After this, he was employed as a systems coordinator for Canadian National Railways. His recent assignment to the office of the Minister of Transport may be of significance, since he is considered somewhat of an expert in the transportation field. I am sure that all hon. members on this side of the House will be looking forward to his performance with great interest.

Now, I should like to refer briefly to the matter of freight rates and the discriminatory effect of their structure in the country. That this is so was agreed by many prominent members of the other place when an interesting debate took place there. There is no doubt that freight rates are not only retarding growth in western Canada but are aiding the increased feeling of western alienation toward the rest of Canada. If the Minister of Transport is so concerned about national unity, as was evident in the Speech from the Throne debate, why has he failed to introduce constructive measures to promote this cause in the field of transportation? Shortly after the election the former minister of transport said in Alberta that Alberta must get more industry. According to local newspaper reports, he admitted that Ottawa is to blame for the condition of the economy in the west, and said that a lot of the trouble was due to the fact that we do not have an effective, over-all transportation policy. But what did he do about it? Nothing!

Mr. Woolliams: They moved him out.

Mr. Mazankowski: He realized, after the election, that there was a problem. Western Canada is deeply concerned about discriminatory freight rates, rail line abandonment, station closings, and the reduction of passenger service. It is also concerned about the rationalization taking place in the transportation and handling facilities with respect to grain. We do not know what the government's policy is in this area, but if it does not have a policy perhaps it should delay withdrawing services and closing stations until an adequate and effective review of the situation has been undertaken.

In the Maritimes, the Council of Maritime Premiers has recently condemned the policies of Canada's two major railways. The reasoning behind this is a charge that the railways and the federal government fail to understand the transportation problems of the Atlantic provinces. Most maritime businessmen say that high freight rates and federal transportation policies retard industrial development in the region. The situation has become serious enough to induce the three provinces to embark on a joint effort to tackle regional transportation problems.

Obviously, if this is the case, the federal government's ability to combat the regional disparities in its so-called transportation policy is sadly lacking. If the provinces must take the initiative, then what useful purpose does the federal department and the Canadian Transport Commission serve? The same thing is going on in western Canada where the ministers of the three prairie provinces have met to discuss economic objectives, the question of transportation as an instrument of economic policy, railway abandonment and railway structure. The initiative comes from them, Mr. Speaker and not from this minister. Why? This government's approach to federal transportation matters is not good enough. The federal government must develop a policy to co-ordinate all transportation systems or the economic growth of all Canadian regions will suffer. The failure to do so will give rise to further dissatisfaction in the realm of federal-provincial relations, and will create a great deal more alienation and ill-feeling because of regional disparities.

This government has only paid lip service to the demand of the provinces with regard to transportation. Transportation built this country, Mr. Speaker, when the Canadian Pacific Railway linked east and west, and now this link has fallen apart leaving in its wake regional disparities and dissension. There is a lack of planning, a lack of initiative and in view of the inflationary pressures involved, it is urgent that this situation be corrected. As transportation costs increase, so does the price of the goods which must use the transportation systems. The government's inadequacy in this area is severely restricting the economy of the regions. If we were to delve more deeply into the problem, I am sure that we would find one of the root causes to be the failure of the Canadian Transport Commission.

• (1540)

The hold-down policy of the government is interwoven with evidence of a lack of social consciousness of the decisions handed down by the CTC. If the ministry of transport cannot come up with a formula to combat the mismanagement of transportation—and we have some doubt about this because this administration is pretty shaky—then I suggest we should recommend that the Canadian Transport Commission answer to a special parliamentary committee and ensure us that this violation of the public interest will be stopped. If the government and the Minister of Transport cannot come up with an effective transportation policy, then I believe it is time that we had some answers because there is ample evidence outlining the problems. There has been study upon study, and there is no shortage of evidence. I would recommend that a parliamentary committee be struck which would be empowered to study and review this whole matter.

As I say, a great deal of urgency must be attached to this particular question. The government must show a willingness to grapple with the problem and, above all, must show a willingness to accept in a serious way some of the recommendations which may emanate from such a committee study. In closing, Mr. Speaker, may I simply say we are looking for leadership from this government in the area of transportation, and if it cannot supply that leadership we shall.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my colleagues and I in the New Democratic Party welcome the presentation of this motion by the hon. member for Vegreville (Mr. Mazankowski). In fact, I am even a

little jealous. I wish we had got there first. However we welcome it. Until some significant changes are made in and about transportation in Canada, it is a matter which should come before this parliament as often as possible. In a country like Canada all aspects of transportation must be treated as essential public services, public services at cost. A national policy and legislation must be designed to effect that objective. I submit that transportation is in the same category so far as Canadian public need is concerned as streets, highways, sewers, water systems, post offices, electric power and telephones. Transportation is an essential public utility. A major revision, and in some ways a reversal, is required in respect of the National Transportation Act. What is required is a major revision of the principles underlying the present archaic approach to transportation which has its roots in the national policy of the 19th century.

In the 1870's, the much subsidized CPR was seen as a vehicle for achieving an integrated national economy from the Atlantic to the Pacific and for joining this country of Canada from sea to sea. In contrast, the National Transportation Act of 1967 states that the national interest is best served by developing an economic, efficient and adequate transportation system, making the best use of all available modes of transportation at the lowest possible cost. With this kind of transportation act, the federal government's foresight, and the foresight of the Canadian Transport Commission, is now restricted to economic efficiency within the transportation system itself. The monopolistic providers of the service can therefore proceed toward their own internal development, and their own objectives, unencumbered by and without regard for any broad national economic or social considerations. This is, in fact, the essence of the hinterland exploitation mentality as it exists today in respect of the whole question of transportation.

The most glaring example of this is the discriminatory setting of freight rates on everything but grain. The railway companies are legally free to maximize revenues where they can. Prairie customers, and to some extent the Maritimes as well, are captives of the railways because of the nature of the goods they have to ship and receive and the length of haul. The west is subject to horizontal freight rate increases and an inequitable transcontinental rate structure. This is an intolerable situation in relation to the development of secondary industry in the west. I should like to give some examples to remind this House again and remind the people of central Canada what is and has been developing in respect of freight rates.

Let us take angles, beams and other steel products. From Contrecoeur, Quebec to Vancouver, the revenue per ton mile is $1.02 while to Regina it is $2.55. In this case, the revenue is more than double. The distance from Contrecoeur to Regina is 1,200 miles less than the distance to Vancouver. The situation with respect of Saskatoon is even worse. The revenue per ton mile is $2.59 compared to $1.02 to Vancouver.

Let us take wire, nails, staples, wire fencing and other steel products. From Sydney, Nova Scotia to Vancouver the revenue per ton mile is 95 cents. To Regina it is $1.77. To Saskatoon it is $1.88. Then, let us take some foodstuffs. I might say that these rates are all taken from the tariffs of the railways which are available to the public. On a 100,000 pound carload the revenue per ton mile from any point in Ontario to Vancouver is $1.41. To Regina it is $2.63, and to Saskatoon $2.73. The tariff on foodstuffs from points in Quebec to Vancouver is $1.35 per ton mile. To Regina it is $2.36 and to Saskatoon it is $2.46.

Mr. Diefenbaker: If you really want to learn about the situation, let us hear about Prince Albert where it is even worse.

Mr. Benjamin: May I say to the right hon. gentleman that the situation in respect of Prince Albert, North Battleford or Swift Current is even worse. Let me emphasize again that Vancouver is 1200 miles farther away than Saskatoon or Regina, and yet the rate per ton mile in this inequitable freight rate structure is almost double to Regina and Saskatoon.

An hon. Member: Why?

Mr. Benjamin: My colleague asks why. It is because of the Canadian geographical situation. Many Canadians are penalized because they happen to live in the far north, in the Maritimes or on the Prairies. I fail to understand why a system of equalized and/or subsidized freight rates cannot be applied all over Canada. The cost of transportation forms a large part of the cost of living in Canada. For example, as I mentioned in the budget debate, Canadian citizens living in Fond du Lac, Saskatchewan have to pay 95 cents a quart for milk. Almost two-thirds of that price is transportation cost.

Because our transportation act of 1967 allows our railways to do what is best for them, the best interests of Canada and Canadians are not being served. Besides discriminatory freight rates of 100 years standing, there has been and is now a continuing downgrading and erosion of railway services in this country. There is a reduced or non-existent passenger service. Secondary and branch rail lines have been allowed to deteriorate to the point of being a disgrace. Rail line abandonments have been announced by the companies which will result in the death of dozens of communities which could and should otherwise be viable. There is an outrageous lack of effort and funds for research and development of modern, faster and safer rail transportation components, particularly in respect of trains and tracks.

I find it passing strange that a national government can allocate $67 million in research and development to private aircraft manufacturers for a short take-off and landing aircraft to haul 15 or 20 people, yet have a dearth of funds in respect of research and development for rail transport or other forms of ground transportation. Canadian National, practically single handed, is carrying on research and development into the turbo train. It gets all the brickbats and this government sits as a patsy for private aircraft manufacturers, most of whom are American owned. Several successive federal governments have been party to and have encouraged the de-emphasizing of rail transportation with a disproportionate priority given to the airlines, most of which are privately owned.

• (1550)

The CNR, as a publicly-owned rail system, is only paid lip service by the government. It is required to operate under financial handicaps and outmoded economic standards that effectively prevent it from adequately serving the Canadian people and the nation. Successive national governments have set up public utilities, such as the CNR and Air Canada, and then have handicapped them with debt structure or limited operational ability to the aid and comfort of the privately owned sectors of transportation. I want to emphasize that, Mr. Speaker, particularly for the benefit of my good friend the hon. member for Vegreville (Mr. Mazankowski). Successive old line party governments do not want, in fact do not dare to have, public utilities such as CNR and Air Canada succeed, as they can and should succeed.

Outmoded theories of competition between our national transportation systems effectively prevent the development of rail and air services to Canadians in all parts of Canada on an equitable basis. Hundreds of thousands of Canadians are discriminated against or ignored in the provision of transportation service which, I repeat, surely is an essential public service and a public utility. The concept of profitability as the main criterion for national transportation systems, inevitably, and by the very nature of transportation, results in inadequate, inefficient and unfair treatment of Canadian transportation needs.

Now, I would like to move to air transportation. Our publicly owned national air transportation system began in 1937. Trans-Canada Air Lines, with the backing of the federal government and of the people of Canada, were given the task of building, operating and gradually extending a national air transport system to serve Canada coast to coast. At a time when the great private, free enterprises could not and would not do it, the people of Canada, through their own public utility, took on the task of establishing a national air transportation system. Again, successive national governments gave lip service to our own publicly-owned system.

As Trans-Canada Air Lines and then Air Canada grew and succeeded, as its prospects, even for profitability and certainly for growth, appeared most attractive, the erosion of their position as a national and international air carrier began. Both old line parties, as governments, followed policies to make available to private enterprise, mostly the CPR, franchises and routes that should have gone to the system that the people of Canada built and own. But no, the CPR was to be again provided for at the expense of our Crown corporation as well as the Canadian public; it was given the gravy. For a number of years we have had an air transportation policy. It is not Orwellian, it is Pickersgillian. That policy is based on a theory which is still held by both the old line parties. The theory is that Air Canada should serve Europe and the Caribbean area, while the CPR should serve the Pacific and Central and South America. What happened?

The next thing we knew the Pickersgillian policy was ignored and CP Air was granted routes to Amsterdam, Lisbon and Madrid. My grade 5 or 6 geography tells me that those cities are in Europe and that particularly Amsterdam is in northern Europe. But CP Air got those routes and all the while our own airline, Air Canada, continued to be excluded from the Pacific countries. Even if one were to live up to this asinine Pickersgillian policy, it is surely not logical, on the one hand, to allow CP Air to intrude into routes into Europe and, on the other, to exclude Air Canada from the Pacific countries. Surely, that situation should not be allowed to continue. In spite of an Air Canada application, CP Air was awarded the routes to Shanghai and Peking. Even while it grows, the government keeps Air Canada on the borderline of success. That whole policy needs to be radically changed, if not completely thrown out.

Similarly, on domestic routes, private regional carriers continue to be granted fat routes that Air Canada developed and that are supported by the Canadian public. The government continues to grant fat routes to private carriers which further prevents Air Canada from prospering as much as it should and prevents it from providing better services on new, isolated routes or on the less lucrative routes. I suppose the classic case of the old line party pork barrel when it comes to airline routes is the granting of a route to Transair from Winnipeg to Thunder Bay to Sault Ste. Marie to Toronto, a route which is in the top ten of the best routes of Air Canada. It is passing strange. Prior to Transair being granted that route they had options on the purchase of two big four motor jets. It is passing strange that an executive assistant of one Jack Pickersgill was on the board of directors of Transair. It is passing strange that the Liberal candidate in the Selkirk by-election, within a matter of weeks after the by-election, became an executive assistant to the president of Transair. As I say, Transair got one of the ten best routes of Air Canada.

An hon. Member: Collusion.

Mr. Peters: That is not honest.

Mr. Benjamin: Air Canada has been placed in such a position that, in another 20 or 30 years, it will be like CNR; it will have a debt load that it can never repay and it will never be allowed to truly function as a national and international carrier representing Canada. The best it will be able to do will be to continue to be eroded and to be ignored in favour of outfits like CPR.

May I say a word about some other areas of transportation. Pipelines are surely public utilities as are other kinds of transportation service. A pipeline is an essential public service and should be publicly owned. It is a common carrier and part and parcel of our entire transportation system. Private enterprise has no relevance, is too inefficient and too costly, to control parts of our national and international transportation systems.

In the area of harbours I would like to ask my good friend, the hon. member for Vegreville, if he really believes that the financial and political powers in his party in central Canada will allow any downgrading or lessening of the importance of ports such as Vancouver, Montreal and Toronto in order to make sure that the port of Churchill is really developed, as well as ports such as Prince Rupert and other ports similar to those two. No way, Mr. Speaker. I have heard a great deal of support expressed by prairie Conservative members for the development of the Port of Churchill. Mr. Speaker, for six years they had an opportunity to do something really

imaginative about Churchill and Prince Rupert, and they blew it. The capacity of the Port of Churchill can be doubled and tripled within the next two years. Icebreaking services need to be improved. Wharf facilities, terminal facilities, and other ancillary services required at the port need to be constructed. A sum of $100 million or $200 million needs to be injected into the port, and a further $100 million should be spent on upgrading rail line service into the port. But this government, like all the other old line governments, has the imagination of a doorknob. If something is going to detract from Vancouver, Montreal or Toronto, then it will not do it. That is the government's way. And then members of the government wonder about alienation, and disaffection with it throughout great regions of the country.

• (1600)

I want to submit to the House, Mr. Speaker, what the NDP believes in and supports as part of a national transportation policy. The first and central thrust of such a policy should be that interprovincial and national transportation systems are an essential public services, and should be treated as public utilities which will provide service at cost, with profitability taking second place. An NDP government would bring about public ownership of the CP system, not just of its railway but of its airlines, its ships, pipelines, mineral rights, and various processing plants which it now operates. Everything that the Canadian Pacific system has built up over the years has been derived from the grants of money and land made to it, with the consequent siphoning-off of railway profits into other operations such as high rise office buildings and land speculation. What business the CPR ever had in getting into such things is something I do not know.

An NDP government would bring about a transfer of the balance of the CNR public debt—almost $2 billion—to the government of Canada in exchange for an equivalent value of shares, thus making the people of Canada the sole owners of our railway system. An NDP government would also bring about public ownership of interprovincial and multiprovincial pipelines. We would bring about a combination of equalized and/or subsidized passenger, freight, express and telecommunication rates right across Canada, in order to eliminate discrimination against Canadian citizens and enterprises because of geographical location, and apply such rates to the kinds of goods that people in all areas need to ship and receive.

Immediately needed is a five-year moratorium on railway branch line abandonment and agency closures, and we should halt and reverse the over centralization of customer service centres. Mr. Speaker, I see you are about to get to your feet, and I would like to tell you that I should be able to finish in about two minutes.

The Acting Speaker (Mr. Laniel): Order, please. Perhaps the best way to do this would be by unanimous consent, in view of the fact that the time allotted to the hon. member has expired. Does the House agree unanimously to let him continue his speech?

Some hon. Members: Agreed.

Mr. Benjamin: Thank you, Mr. Speaker. I appreciate your kindness and that of my colleagues. I shall conclude quickly.

The seventh thing the NDP believes in and would bring about as a government would be the complete integration of rail, air and ground transportation services. Surely, it is nonsensical to waste so much money and investment on trying to improve air service from downtown Ottawa to downtown Montreal, considering that those two cities are so close together. I suspect that even now one can get as quickly by bus or rail from Ottawa to Montreal as one can get by air from downtown Ottawa to downtown Montreal. Surely, the current expenditure on this air service is a waste. Our ground and rail transportation systems suffer as a result. All three modes of transportation should be integrated, particularly rail and bus service for certain short hauls, and rail and air service for long hauls. The equalization of air fares is also essential for the movement of people in Canada. Without equalized air fares, people who live in Inuvik or Yellowknife are discriminated against outrageously simply because they do not happen to live in Ottawa, Montreal or Toronto.

The eighth thing an NDP government would do would be to undertake massive public investment into research, development and production of turbo, air cushion and monorail transportation for intercity and city transportation systems. Our metropolitan areas alone cannot cope with the necessary research and development, let alone with the installation and operation of the new kinds of systems that are required.

I close by saying that we must quit handicapping the public transportation utilities, mainly Air Canada and Canadian National Railways. We must quit preventing them from being the kind of success that they can and should be. We must quit stacking the decks against public enterprises in transportation systems. We must quit doing such ridiculous things as having Air Canada go to the New York financial market to issue $26,633,000 worth of securities, none of which were offered for sale to the Canadian public, all of which were offered for sale in the United States, half of which were bought by four U.S. insurance companies and bonding companies, with the rest going to what are called institutional investors in the United States. This is shameful. It should make any Minister of Transport blush. And all of this money went for the leasing of 2 Lockheed aircraft after the government let $50 million go down the drain on a Canadian hydrofoil. Surely the people of Canada would have provided that kind of investment money for Air Canada.

The transportation systems of Canada must become public utilities. They must be publicly owned. The sole basis of their operations must be service to Canadians, moving goods and people at cost, without discrimination against where people live. This means equalization of fares, freight and express costs. Without these things this country cannot stay as united as it should be. Without these, sections of our country will still feel angry and alienated. But with these things we can have the kind of transportation system of which we are capable, a system that can operate in a northern climate over vast distances, and that can serve citizens in any part, and I stress any part, of the Dominion of Canada.

Transportation Policy

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, we are very happy to participate in the debate on the motion presented by the Progressive Conservative party and which reads as follows:

That this House, noting that the government has failed to bring about an integrated overall National Transportation Policy, and further noting the inadequacies of ministerial response to Canada's transportation problems, deplores the Government's failure to recognize that Canada's transportation is vital to Canadian unity, regional equality, the encouragement of resource development, the increase of international and domestic trade and the betterment of the urban and rural quality of life—urges that immediate action be taken to establish an overall National Transportation Policy to bring about these objectives.

• (1610)

Mr. Speaker I am very happy to see that the minister is here. I think he is noting our remarks and I hope that this day will be more fruitful than all the speeches we have been making for years.

I recall the period of Mr. Donald Gordon, the years of struggle. We have known difficult years which bore more fruit than all the years we are living now.

At that time at least, the president of the Canadian National reacted but for some years, we seem to be running our head against a wall: the more we talk, the less effect it has. I think that if things keep going as they are now, in my area at least, the Canadian National will disappear.

Today I want to talk a little about the CN and then deal with our air service.

Are we justified in comparing what it costs the country to administer a company like the Canadian National, in return for the services provided? I think any hon. member is shocked when he is made aware of the disbursements of the Canadian National. For example, a bill in favour of the Canadian National that has just been introduced in the House, sets forth the estimated requirements of this company for 1973.

The Canadian National, in spite of all its receipts, says that in 1973 it will have to invest $138,978,000 in railway properties, $13 million in branch lines, $31,897,000 in equipment, $25,946,000 in telecommunications, $5,679,000 in hotels and $8,800,000 in the CN Tower Limited, for a grand total of $225.5. And we are told what to expect for 1974, costs of $75 million and a few $100 million, with an almost unlimited borrowing power.

I wonder when the government will finally realize that perhaps the civil servants do not play their part in an impeccable manner. I do not blame the minister because he just assumed his new responsibilities. I am sure he is not more responsible of that situation than I could be myself, but the CN high ranking officials have full powers and they are those who are responsible for the astronomical administration cost of the services provided by the company.

Quite a few things can be seen in this administration, Mr. Speaker. Really, it is to be wondered whether the administrators want to give more services to the Canadians or if they simply want to break the government of Canada through the CN. The more we go—and they call this evolution—the more the offices are filled with personnel, the more we see people getting annual salaries of $30,000, $35,000, $50,000 or $60,000. What are they doing in those offices? I ask you.

[Mr. Benjamin.]

Some hon. Members: They are not doing much.

Mr. Gauthier (Roberval): As the hon. member said, they are not doing much.

So as to increase this personnel they are reducing the number of men assigned to various services so that now they are getting involved in the construction of hotels.

Some civil servants are convinced that the CN is a hotel system whereas it is a transportation service. They forget that the people needed to fill up these hotels must get there by railways. I warn my dear civil servant friends that if they want their luxury hotels to turn a profit they must first send back a fair number of workmen on the railway to fix it and to make it more accessible to "big transportation" because we have had more derailments over the last few years than ever before.

Let us consider the losses caused these last few years by derailments. There are no more maintenance crews. We now have three foremen for one every maintenance man. I think the government will have to get involved and remove some freedom from all these senior officials who only dream of grandeur.

In my constituency, a servo-centre was established. Mr. Speaker, that is a wonderful thing. I even went to the opening of that centre, about which the following was said and I quote:

The establishment of this centre is a significant step in the CN service improvement program. That program provides for the establishment of a country wide servo-centre network, under which one of the most modern data processing systems will be made available to customers in the most distant areas.

I wonder where the Canadian National gets its customers in our area because the only people using the CN are the Aluminum Company of Canada Limited, Domtar Chemical Limited and four or five big manufacturers. It seems as though everything had been built for their benefit.

However, we read this:

The establishment of these centres in Canada concerns two essential railroad services: full carloads and express transport.

At the end, they say:

Servo-centres will also include passenger services and telecommunications.

Once more I wish to draw the attention of the House on passenger services. I said a while ago that the more progress we made the less service we got. We had two sleeping-cars last year, but today there is only one third of one. As a matter of fact, there are a few berths at the end of the lounge car and they call that the sleeping-car for the whole of the Saguenay-Lac-Saint-Jean area. Quite an achievement considering all the money the CN is getting in our area. Let us not forget that in Quebec it is from our area that the CN gets most of its freight transport revenue. And I had figures published in this regard.

• (1620)

Not only is there no sleeping car but the coaches are not even clean, which is not likely to attract customers, so that each year their number decreases. When one has travelled by train once, one thinks twice before doing it again.

During my last trip, it took me exactly 20 hours to cover 400 miles. I spent 20 hours on the train—practically a work week—and the 40-hour week on the train is much more difficult than my 40, 60 or 70-hour work week.

Mr. Isabelle: It is less of a strain.

Mr. Gauthier (Roberval): Because it is less shaky.

Once more, I simply wanted to draw the attention of the House to this, because I have also heard that, for many years, senior officials have been willing to eliminate the passenger service, at least between Chambord and Dolbeau, or between Chambord and Chicoutimi.

As far as the servo-centre is concerned, I do not know who carried out the study, but we know that Chambord is the centre of the region since connections for the whole region of the Saguenay-Lac-Saint-Jean are made there. And in Chambord, there is nothing left! A servo-centre was established at the other end of the line, in Jonquière, and another in Saint-Félicien, while had there been only one service in Chambord, the whole region could have been covered. But no, it was deemed useful to spend money and establish two servo-centres. Consequently, the service is quite unsatisfactory.

Before, in Chambord, they used to repair coaches or locomotives. Everything was closed down. When a car or a locomotive breaks down it is hooked onto the back of the train and brought back to Montreal for repair. A valve cannot even be repaired in Chambord. I have even seen passenger cars frozen stiff during winter. They have to be brought back to Montreal for defreezing whereas before mechanics used to repair them on the spot. All that was done away with to modernize and centralize. It is because of problems like that that we no longer have passenger services.

I do not want to take all my time to talk about the Canadian National because I have talked about it on several occasions here and because I am convinced that the result of this debate today will amount to a big zero. But I think that if people decided—

Mr. Isabelle: Are you not confident?

Mr. Gauthier (Roberval): What?

Mr. Isabelle: Are you not confident?

Mr. Gauthier (Roberval): No. I have no confidence left. I hope the minister will try and restore confidence. As a matter of fact, he does all he can to restore confidence during election time. He promises the moon and stars but you do not see him afterwards. I like it when he comes to my riding, not when he comes just to make promises but to launch projects.

I hope that this time the minister will listen to us.

Turning to another subject I would like now to say a few words about Roberval airport. It is again an issue that this minister knows very well because he actually walked on the runway at Roberval. He will remember that in the month of June 1972 the city of Roberval sent him a resolution from the minutes of the meeting of the city of Roberval which read as follows:

> The Mayor told the members of the Council about the meeting with Messrs. Beaudry, Coulombe and Taillon of the Department of Transport. The latter announced that major alterations would be carried out at the municipal airport. Only 3,500 feet of the airstrip will be used, closing off a very bumpy section, while still allowing the safe landing of some types of aircrafts.

When a runway is damaged, instead of having it repaired, only part of it is used. Very soon, it will just be long enough for toy airplanes. Let me quote further:

> The landing beacons will be set up accordingly and the existing ones will remain unused along the closed-off section. The 3,500-foot airstrip will be marked with white-painted lines as on the model provided and the costs will be incurred by the city.

The government could not even afford to get the white lines painted: he had the city pay for them. I continue with the question:

> Following this statement, the following resolution was passed: It is moved by councillor Philippe-Auguste Morin, seconded by councillor Léonce Desgagné and unanimously resolved that the council of the City of Roberval make the Department of Transport aware of its disapproval concerning this decision and that it urges the said department to proceed immediately with the repair of the runway so as to make it usable on its whole length. Where minor repairs were involved, the City of Roberval assumed responsibility for them in accordance, as much as possible, with its contract with the Department. In the same contract, it is provided that any major repair is the sole responsibility of the department. It goes without saying that this work should be done at the Department's expense, even though the cost of the repairs are of a sizeable amount. The City of Roberval having invested over $600,000 in the development of the airport, the Department should realize the great extent of its participating and provide immediately for repairs.

Well, many representations have been made, in particular on June 28, 1972 when they acknowledged receipt of a letter I had written to the present minister of Regional Economic Expansion (Mr. Jamieson) who was then Minister of Transport. I will quote another letter that I received from the city of Roberval. It stated:

> To follow up our telephone call, please find herewith a copy of a letter we received from Mr. Baribeau, regional director of Quebec, . . .

And Mr. Baribeau's letter reads as follows:

> Thank you for your letter of December 20, 1971 regarding the runway of your municipal airport which seems to have caused you some trouble in recent years. Before answering your letter I had to wait for my engineers to make a thorough study of the problem and they have just completed their report.
>
> These studies show that the northern part of the runway (the first 1,500 feet) should be entirely rebuilt, at an approximate cost of $315,000, which would be very difficult to justify at present if one considers that the kind of aircraft flown by Fecteau Transport Aérien, namely the British Islander, may operate in all safety on the other part of the runway which is still in good condition.
>
> When one of our aircraft used it about one month ago, someone did notice that the northern part of the runway was not in very good condition though quite safe for several types of planes. However, to be on the safe side, we propose to move the threshold of runway 16 southward, making thus a runway 3,500 feet long, which is enough for many aircraft including the DC-3.

And I happened to make a representation in this House about aircraft that are used for bush flights, to fight

against forest fires. Such aircraft cannot land on a 3,500 foot runway.

• (1630)

Mr. Acting Speaker (Mr. Laniel): Order, please. I regret that I must interrupt the hon. member, but his time is up. Unless he obtains unanimous consent of the House, he will not be able to continue with his remarks.

Some hon. Members: Agreed.

Mr. Acting Speaker (Mr. Laniel): Order, please. Is it agreed that the hon. member should complete his remarks.

Some hon. Members: Agreed.

Mr. Gauthier (Roberval): Mr. Speaker, I wish to thank my colleagues.

Concerning the Roberval airport, I know the minister is concerned about it, since the project is on his desk. He will have the assistance of the Minister of Finance (Mr. Turner) who committed himself during the last election campaign; I sent him a photograph, a photograph of him taken on the Roberval landing strip when he promised that he would personally make sure that the landing strip is rebuilt. I feel the Minister of Finance has made a tremendous commitment. I ask the Minister of Transport (Mr. Marchand) not to hesitate, to go and see the Minister of Finance and have him keep his word.

Now, I wish to call the attention of the House to another airport now being built. I have delivered to the minister personally the specifications of the Dolbeau airport. A letter was sent to the minister on January 16. I believe that this letter is on file at his office; I do not know who was the incumbent minister at the time. The letter reads as follows:

> Two years ago, a committee was set up by the city of Dolbeau for the purpose of developing the local airport at Saint-Méthode, county of Roberval. That airport is located in the geographic centre of Roberval county and was first built by the Department of National Defence in the forties to be used in emergencies.
>
> We submitted a request to your departmental officials and those officials paid us a visit to look into the technical merits of our request.
>
> The purpose of our letter is to acquaint you with the situation and also to ask you to agree to our request when your officials put before you a positive recommendation.

The minister is aware of the situation; I spoke to him briefly concerning that report, which I handed him. That project is worth studying, especially as the city of Dolbeau owns that beautiful flat land. I believe that the minister has gone over the field which it is quite suitable. I do not know whether he has given a final reply to the city of Dolbeau which simply asked that the work be speeded up. It would be a good thing if we could get something by next summer. This field would be used mostly as a stopover for tourist planes, fishermen's and forest protection planes. An asphalt coating for this runway would not be too expensive and I honestly think that this would prove to be a genuine asset for our area. It would complete the air transportation system at Roberval. I am led to believe the minister is willing to look seriously into whatever is wrong with the Roberval airport. I hope, also, that a thorough study will be made in connection with the Dolbeau airport and that the area will get something for next summer.

[Mr. Gauthier (Roberval).]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not know what the outcome of this afternoon's debate will be but surely certain facts will come out which will significantly help us, under whatever government, to follow a transportation policy which will truly meet our general needs.

It is normal and rather easy to criticize the government but if there is a concensus on general objectives it is not a total loss. I have been quite impressed by the remarks of the hon. member for Regina-Lake Centre (Mr. Benjamin) who stated a number of truths I will elaborate on later.

But the basic truth which came out of this afternoon's debate—and I would like everyone to remember it—is that this country, which we call Canada and which is ours, probably could not exist without an adequate transportation system, without all the regions being interconnected and, economically speaking, without all the Canadian regions being able to communicate with the rest of the country.

Canada—and this is nothing new—is a large country which spreads from Halifax to Vancouver and into the far north and surely if instead of speaking of unity in abstract terms each of those great regions were interconnected, that would do more for unity than anything else.

Over the weekend—if memory serves me right I left Friday noon—I went to the Arctic region. I stopped over in Calgary; I went to Inuvik and to Yellowknife and by five o'clock Sunday I was back in Ottawa without being unduly tired. This means that with modern transportation it is possible to know physically this country. Besides, I have had the opportunity to say in the North that a country which is not settled, which is not developed is not a country which actually belongs to us. It is a country which stays somewhat alien because it is not integrated, it is not developed. Furthermore it feels very isolated not only from the rest of Canada but from the whole continent.

We have today modern means of making it possible for Canadians to go out of their regional isolation. And this is very important. But at the same time, the fact that these modern means are put at the disposal of the public inevitably creates frictions.

There are things which were not accepted 50 or 100 years ago for the simple reason that what happened in Ontario, in Vancouver or in Nova Scotia was not known. But communications today enable us not only to be informed but also to travel very quickly from one place to another, so that we get the physical impression that this country is really ours and that we have the means not only to exploit it but also to enjoy it.

I think that this is the basic idea, both from the point of view of national unity and from the economic and social points of view. In fact, it is important that we have what my friend the hon. member of Vegreville (M. Mazankowski) called a policy of integrated transport and that, of course, even if we cannot do everything at a moment's notice, we know all the same the short and long term objectives so that Canadians know that in 5, 10, 15 or 20 years this country will really be crisscrossed by adequate transport and communication systems.

Mr. Speaker, I think that transportation in Canada is a tremendous subject and I also think that it is extremely important, even vital. It is probably one of the greatest problems in Canada: a problem of communications and a problem of transport. I simply regret that, especially in the case of the official opposition, no suggestions have been put forward.

I listened very closely to my good friend from Vegreville and I shall do like him, that is, tell him he is a nice fellow and then tell him unpleasant things. That is what he did to me; I am quite willing to play the same little game. I am sure he is sincere, but I told myself while listening to him: surely, at some point or other he will speak of transport, and tell us the Progressive Conservative party has pondered the problem. But no, he took pleasure in counting the times I gave evasive answers in the House. I shall give him the statistics: he will see that even on that score he is wrong. Anyway, it is all very amusing. As the new Minister of Transport, I am quite willing to be made fun of, because I intend to feel free to do so too.

• (1640)

In any event, I am sorry the Progressive Conservative party has nothing to offer with regard to such an important subject. Still the right hon. member for Prince Albert (Mr. Diefenbaker) honours me by being here this afternoon. He will speak after me; I am therefore taking chances. I checked to see whether between 1958 and 1962 the Progressive Conservative party had really drawn up an integrated transport policy for Canada, but I found nothing. Doubtless he can tell me where I can find it, that we might be able to follow the pillar of light that got lost in the mists of time.

We see that there are problems. The most obvious of these is the problem of transportation costs, especially in western Canada. I am as amazed as anyone in the House when I come across freight rates that are higher for goods transported to Regina than for those transported to Vancouver or elsewhere. I can understand it in the context of the capitalist system, but that does not make it any more sensible; anyone who believes in profits and in the private enterprise system knows that any company tries for the highest yield that the market can absorb. And that is the only valid explanation, because from a rational point of view, there is no other. It is not just surprising, even if an explanation can be found within the context of the present system, but it is also not very rational in my opinion, it is even a provocation, to set up such a system.

That, Mr. Speaker, is why, in the debate on the Address in reply to the Speech from the Throne, and immediately following it, I said that as soon as I had the time and as soon as the western premiers were free, I would be prepared to meet with them. They postponed the meeting with the representatives of the railway companies, not out of bad faith, Mr. Speaker, but because they wanted to have an opportunity to get together. I believe they are meeting on March 28 or 29; I do not remember the exact date. Then they will be prepared to meet the representatives of the railway companies, upon which they will be ready to meet me to talk about precisely this problem of freight rates and transportation costs in the West. And I trust that, with everyone's co-operation, we will manage to improve the present situation, which is frequently intolerable.

We have been trying for years to do the same thing in the Maritime provinces, with the Atlantic Region Freight Assistance Act, and also with a Transport Committee with jurisdiction over all the Atlantic provinces, which looks into all their problems. I am meeting the premiers of the Maritime provinces on April 9 to discuss how we can remedy the freight rate situation in that region. Unfortunately, I cannot do more than this; it will be the first chance I have to take action and, since our friends of the official opposition are tying us down and trying to paralyze government action as much as they can, of course, I have to ask the premiers of the Maritimes to come and meet me in Ottawa. Otherwise, I cannot see how I could do it, except on Sunday morning before Mass—for those who attend it. In any case, there is a problem in the Maritimes. There is no doubt about that. And it is a problem to which we are trying to find a solution.

Mr. Speaker, let me get away from regional demagogy for a while; one should not think that the one and only problem in the Maritimes is a transportation problem and that everything else would automatically straighten out if this problem were solved. Unfortunately, this is not true. How I would like it to be so, because the moment a solution would be found to the transportation problems, all the problems in those provinces would be solved, but that is not true. Still, we are going to make an effort in that direction.

Concerning this effort, we want it to be in co-operation with the provinces, with those concerned. If members think that by developing a general policy and applying it to the country in general, they will have solved the problem, they are mistaken, because they will only have given rise to new grievances, since the regions want the solutions we bring to really answer their respective needs.

This is why, when we conducted a study on urban transport in Winnipeg, for example, we worked jointly with the province and the municipality. We paid three quarters of the costs—I think it was $500,000—to determine whether it would be advisable to relocate the railway tracks in a city, whether to put them under or above ground, and what would be the best solution with regard to the impact on urban development. I hope that the example of Winnipeg will be followed in other cities, because the same problem occurs in many Canadian cities with railway tracks running through them and hindering the normal urban development. We are dealing with the matter and are making considerable progress.

I should now like to refer to the Maritime provinces. For example, we are told: "What are you doing about coastal traffic and the findings of the Darling report"? I will tell you what is being done with the Darling report after meeting with the Atlantic premiers who fear that the implementation of that report's recommendations would result in increased transportation costs, because, of course, foreign coasting vessels in the Maritimes often have extremely underpaid crews and do not have to bear the same costs as Canadian ships.

Nevertheless, I believe we should take every possible means in order that coastal shipping be done by Canadian ships and crews. But before we can make such a decision,

I want to be sure that the Maritime provinces concerned are not only consulted but are satisfied, that their position will not be worse than it is now.

That is one of the problems facing us that we are trying to solve under a comprehensive program.

Reference was made to Canada's air policy, it is not an easy thing, to be sure, for this is a vast country and there are grievances against the companies. Certainly we are one of the few countries—apart from the United States—with two great intercontinental companies competing with one another at times, which obviously raises a real problem. How can it be solved? We are looking into the matter. Can they really live side by side and develop harmoniously? Time will tell, but the department is looking into the matter and the least we can do—and I believe that is what the hon. member for Regina-Lake Centre said—is to act in such a way that the state-owned company, or even the other one, are not placed in such a competitive position that sooner or later Canadians taxpayers will have to pay the cost of that apparent luxury of having two big companies serving Europe and the whole world.

What is important and fundamental for us in Canada is that we should seek abroad our share of the market, that Canadians should be able to go almost anywhere in the world on Canadian carriers and that foreigners should be able to come to this country with our own airlines, which also applies to air cargo. That is what is important if we want to prosper. In principle, I see no objection to the operation of two air carriers, but I object to their destroying one another, with the taxpayer ending up picking up the tab. But if they are wise they can share the traffic and try to make the most of the dual system. That is worth considering. I tried to understand the policy of the Progressive Conservative party on that matter. I already know that of my hon. friend from Regina-Lake Centre. I did not understand that of our Progressive Conservative friends, but I suppose they will tell us what they think sooner or later.

We have tried to reach new agreements with some countries. We recently signed an agreement with West Germany which not only gives us access to two more German cities, but also gives us what is known as the "fifth freedom of the air", in other words the right to leave Germany for destinations in other countries. We have also signed an agreement with China, under which CP Air will serve Peking and—

• (1650)

[*English*]

Mr. Benjamin: Who gets Milan and the other two places?

Mr. Marchand (Langelier): The next time we make a move, you will know who will get the Milan route.

Mr. Diefenbaker: When will that be?

Mr. Marchand (Langelier): In due course, as the right hon. member used to say when he was on this side of the House.

[*Translation*]

Mr. Speaker, we are trying to develop our air transport companies; we are trying to have them serve as many places as possible, and thus get their share of the passenger and freight markets.

All this brings us to discuss the problem of airports in Canada. Ever since it has been my honour and my great pleasure to be the Minister of Transport, I have heard talk of nothing but airports. As I was saying recently, I used to think Canada consisted of ten provinces, with two official languages and various ethnic groups. I had a very naive notion of Canada; when you get down to it, that is not Canada. Our country is split into two groups: those who want airports and those who do not want them. And I am caught between the two.

Aviation has developed during my generation; when I started working several years ago and a friend made a plane trip, we used to go down to his place to hear about his trip, because at that time very few people travelled by plane. When I was a little boy in Champlain and we heard the sound of a plane, we used to run out to see that wonderful thing. It was extraordinary, but that kind of poetry has disappeared.

The plane is no longer a bird, no longer an expression of human intelligence but a monster threatening the lives of people, a kind of cancer, and some people are afraid of it.

When there was talk of building an airport in the province of Quebec, it was not because we were behind or because another approach was being taken, but because people fought for it throughout the province. Some wanted it at Drummondville, others elsewhere.

Toronto no longer wanted it. The people in Pickering want the airport to be built elsewhere—and I understand them—but those are decisions we have to make.

In Vancouver, where they have had an airport for less than 30 years, adding another runway has created a great problem.

Now what does that mean? That means simply—and I accept it readily—that we did not expect those new reactions from people who are not necessarily enthused over the fact that planes will be landing close to their homes. People want reasons; it is true that the sound produced by modern airplanes is a great inconvenience. There will have to be a new approach about people, that is to say that before making such important decisions we undoubtedly need more consultation and information so that people will not consider progress as a threat to their peace, their security and even their life.

Mr. Speaker, we will continue to have airports in Canada as long as I will be Minister of Transport because I would be making a great mistake if, except for very serious reasons, I were to deprive a city such as Vancouver of an adequate airport. I know that the coming generation would not forgive us.

Our territory is becoming more and more settled. This is now the case in the United States; one day soon we will hear about a report presented to the president of the United States which will reveal how shortsighted people were not to set land aside for airports.

There is one thing that we could not do without in 1972 and even less in 1980: the aircraft and especially the jet which is here to stay. Maybe some hon. members still enjoy the poetry of the bus, and so on, but I believe that

for practical reasons the great majority of Canadians prefer flying.

Our friend from Regina-Lake Centre spoke about research in the field of transport but he took inconsistent position: he referred to the STOL aircraft. He said that was designed to encourage private enterprise. That is not true.

With the STOL system, we wish to make an experiment not to establish a permanent system between Montreal and Ottawa but to show that this system is possible. If it is, it means that there would be an external market for STOL aircraft which would secure jobs for Canadians and allow our economy to develop in this particular area.

Now, the hon. gentleman bares a grudge against the fact that, very often, our aircraft industry is controlled by Americans. I agree with him. He only needs to ask his friend, Premier Schryer of Manitoba who is facing the same problem with the aircraft companies settling in Winnipeg.

I am not here to change the whole system but to see that development in the aircraft industry meets our needs. So, the STOL experiment is a research investment and we are trying to show that it will serve the travellers while providing an outlet on the international market. Furthermore, I have once again heard about the hydrofoil which cost I do not know how many million dollars. But if our friend from Regina really believes in research and thinks it necessary to find new transportation means, he must not forget that many million dollars will have to be spent and possibly for nothing. The very principle of research itself is that you cannot help but work without knowing exactly what is really going to happen. We know in what direction we are working, but we do not know what the result will be.

We simply have to recall the two scientists of the United States Bell Company, who have discovered the transistor principle. They had carried out research for many years and one day they invented the first transistor which possibly cost many million dollars. But when they found the secret, it revolutionized the world.

In order to deal with almost all subjects, I shall say a word about our maritime policy. What are we doing in this field? We are trying to make our harbours efficient. We know, for instance, that there is a change in the field of maritime transportation where they have started using containers as well as huge tankers. We are endeavouring to equip our ports to cope with these changes. So, it is incorrect to say that we are not considering these things. On the contrary, we do consider them, as we did concerning the Vancouver and St. John harbours.

We are now considering two other harbours, probably in eastern Canada, and more particularly in the Maritimes, because we know that the future of transport is in that field. In fact, we will see before long some huge cargo ships, container ships, or tankers in our harbours. And we have on the east coast an asset which is entirely ours.

There are, in fact, no deep-water harbours in the United States. On our east coast, we have them, namely in Nova Scotia, New Brunswick and Newfoundland, near the mouth of the St. Lawrence and that is a tremendous resource which we are striving to develop as rationally as possible. To benefit by that advantage, we must not only resort to dredging in certain places but we must also equip ourselves with port facilities geared to the future.

I shall now broach the subject of northern development. At the present time, it is not all just talk; we are extending the highway along the Mackenzie corridor. I have just returned from a visit to that region and I feel there are terrific developments there. They have modern airports. Actually, I officiated at the inauguration of two of them, where there have been extensions. They have been provided with facilities, electronic technology and equipment for the purpose of increasing air security in the region.

For instance, we shall soon be setting up systems called VORDME—Very High Frequency Omnidirectional Range—in Yellowknife, Inuvik, Frobisher Bay, Resolute Bay and Whitehorse, as well as distance-gauging instrument in order that air traffic in the north may offer a maximum of security.

The Northern Transportation Company Limited has met with great success this year; besides everybody wants to buy it.

Then again, Mr. Speaker, we are faced with the problem of the Canadian Transport Commission. I hope that I shall have the opportunity of discussing it further, because often we are told: You claim that Parliament cannot do anything about it. I think that the hon. member for Vegreville has been mistaken because if he checks the blues he will see that nobody ever claimed that Parliament had no jurisdiction over the Canadian Transport Commission. He probably meant "the government" because Parliament has jurisdiction over that commission. There is no doubt that should Parliament decide to change—

• (1700)

[*English*]

The House of Commons has authority over the Canadian Transport Commission.

Mr. Manzankowski: It does not.

Mr. Marchand (Langelier): Of course, it has; we can change the law.

[*Translation*]

However, being the government, we cannot give instructions to the Canadian Transport Commission. Only in a few cases appeals can be directed to the minister, such as the granting of permits. Otherwise, right or wrong, the House of Commons has legislated on the status quo of this body, as for better or for worse there has been legislation on the autonomy of the CBC, the CRTC, the Polymer Corporation Limited and others. This indicates there is some kind of Canadian tradition whereby some activities are safeguarded even against government action. If this concept were to be a matter of doubt, I am quite willing to discuss it very freely, Mr. Speaker, because I have my own opinions on this subject. However, I had the law applied as it is and I have assumed responsibility for the commission as it has been established. In my opinion, Mr. Speaker, I do not recall that, between the years 1958 to 1962, under the Progressive Conservative administration, there were important amendments to the National Trans-

portation Act to empower the government to give instructions to this commission.

There have been a few brief comments about charter planes. Naturally every time changes have been made—this is the second time a change has occurred in this field—there has to be a five or six month readjustment period. On the other hand, the opposition members have been really helpful in this area. Cases were submitted to me and I had some changes made. No doubt there will be other matters to look into shortly and hon. members will certainly not hesitate to tell me about them.

At any rate, I have dealt with only part of the department's operations. To say in very broad and vague terms that the department has done nothing, has devised nothing and produced nothing is somewhat exaggerated. To tell us that we have not acted quickly enough, that we have made mistakes, that there are better solutions, that is a bit too thick! The opposition members really are a little too secretive; having once pretended they were robbed of some of their ideas, they seem to put away in a safe their few other remaining ideas, but why do they not sport them in the open? I for one should be happy to hear them state an integrated transport policy as they conceive it, as well as a subsidy policy also the way they see it. Now the spokesman for the official opposition perhaps was not prepared to do it, but the right hon. member for Prince Albert (Mr. Diefenbaker), former prime minister, for his part, is prepared. No doubt he will be in a position to tell me what I have to do in the department in order to have Canada effectively provided with the best possible transportation system, so that we might be able to meet the needs of the Canadian people.

Mr. Speaker, I believe that a sincere effort is being made in the department, which includes the Canadian Marine Transportation Administration, the Canadian Surface Transportation Administration, the Northern Transportation Company Limited, the Arctic Transportation Agency, Air Canada, a Crown corporation, the Canadian National, the St. Lawrence Seaway Authority, the National Harbours Board. The department is extremely complex and if ever the hon. member for Vegreville becomes Minister of Transport—when he is very old—he will be able to see how easy it is to harass a Minister of Transport since he can never know everything, be aware of everything that may go on in such a complicated and altogether important box.

We must solve the transportation problems of the Maritimes and the west and we must ensure that our air transport companies develop normally. We also have a harbour policy as well as all the necessary elements to further the progress of Canada and I think had this resolution been serious in the least, it would have given rise to a really useful debate on the subject of transportation.

This motion so far has only given the opposition an opportunity to make a few jokes—I thought one of them was funny—and allowed my good friend from the Lake St. John area to speak about the Roberval airport. I think I shall not take up the time of the House to comment on this, but I shall see the hon. member and we shall certainly agree eventually on this question.

[Mr. Marchand (Langelier).]

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saint John-Lancaster (Mr. Bell)—Shipbuilding—Extension of subsidies beyond March 31; the hon. member for Yorkton-Melville (Mr. Nystrom)—Ports—Churchill—Action to achieve greater utilization; the hon. member for Ottawa East (Mr. Gauthier)—Bilingualism—Teaching of French on a trial basis in the national capital.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO ESTABLISH A NATIONAL TRANSPORTATION POLICY

The House resumed consideration of the motion of Mr. Mazankowski:

That this House, noting that the government has failed to bring about an integrated over-all national transportation policy, and further noting the inadequacies of ministerial response to Canada's transportation problems, deplores the government's failure to recognize that Canada's transportation is vital to Canadian unity, regional equality, the encouragement of resource development, the increase in international and domestic trade and the betterment of the urban and rural quality of life—urges that immediate action be taken to establish an over-all national transportation policy to bring about these objectives.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I like to see parliament live. I enjoy a good debate and a contribution to the debate from whatever quarter it is made. For that reason I am always fond of hearing the Minister of Transport (Mr. Marchand) who, with a minimum of argument, makes a maximum of speech. The House lives when he speaks because he is actually debating. However, I think his speech may be well summed up by the words he used earlier when he said: "Whenever we decide to act we will let you know in due course". We found out today that "due course" has not yet arrived. We had a dissertation on the subject of national unity to which I want to make passing reference. The minister claimed that little or nothing has been advanced except by the hon. member from the province of Quebec, who I thought made a quite thoughtful contribution and one which indicated there is indeed a degree of diminuition of morale in respect of the Canadian National Railway that can be attributable only to the fact that there is not now and is apparently not in anticipation a national transportation policy.

Before I go into detail, I must congratulate the hon. member for Vegreville (Mr. Mazankowski) for what I thought was an exceptionally well reasoned speech on a

subject which needs to be discussed. The minister touched on no part of the resolution. He did not touch on the suggestion that there should be an integrated over-all national transportation policy. The hon. member noted the inadequacy of the ministerial response to Canada's transportation problems, and the minister's speech has fully established that. He deplored the government's failure to recognize that Canadian transport is vital to Canadian unity, regional equality and resource development. This represents a cogent criticism of the policies of this government, or the lack of policies if I might use a better description.

I have known the minister through the years. I remember when I was Prime Minister he belonged to a party other than the one to which he belongs today. That was before the three horsemen of the Apocalypse found their way into the Liberal party. I admire his capacity for speech. I admire the enthusiasm the minister can work up in making generalities very attractive. However, when you come to finally analyzing what he said, the question becomes a simple one.

For a period of years, he was Minister of Regional Economic Expansion. During that period of years there was no endeavour on the part of the minister or the government to do anything regarding regional development on the Prairies, for instance. They were forgotten. That is one of the reasons the government received such a shellacking on the Prairies in the last federal election. One would have thought there would have been some hope of reformation. The minister spent hundreds of millions of dollars in the area in which it pleased him to spend it, and he forgot western Canada almost completely.

• (1710)

He talked of national unity, but I will not deal with those speeches that he made immediately after the election when overcome by surprise, annoyance and frustration, he dared to suggest that anybody who criticized the government and any of its policies was undermining Canadian unity. That was not in keeping with the fine reputation that I had built around him. Some of the statements that he made were despicable, and there can be no other way to describe them. He intimated that because I disagree with the views he holds, apparently I become somewhat of an enemy of the state. That is not in keeping with the parliamentary tradition, and that is not the kind of argument that one would have expected from him. But he was annoyed, he was exasperated, he was overcome with surprise at the defeat that had hit the government. So, he had to attack.

To begin with, I say to him that I hope the same disregard of the prairie provinces and other parts of Canada, such as the Maritimes, will not become an epidemic with him as he now finds himself in a new portfolio. I do not know why the Prime Minister (Mr. Trudeau) shifts these ministers around. There were the four—the hon. gentleman himself and—but I cannot keep up with the portfolios. There was also the one who was the former secretary of state, and there was the solicitor general.

An hon. Member: Who was that?

An hon. Member: Gogo.

Mr. Diefenbaker: All I have to do is to mention them, and you realize what a terrible mess each and all of them made in those portfolios. Now, they are redistributed. I will not go into particulars, but I was glad that the former solicitor general was removed. He is now Minister of Supply and Services (Mr. Goyer) and I understand he is giving specialized attention to brooms, pails, dustpans, pots, pans and Saniflush.

I say to the minister in all seriousness, when he pictures this great country that he has just crossed on his trip to Inuvik, which took a day and a half but left him untired and still determined to do his part for national unity, that I can suggest one thing which can be done at once. I noticed that in his speech he embraced the hon. member for Regina-Lake Centre (Mr. Benjamin).

An hon. Member: Same party.

Mr. Diefenbaker: It is a great picture. He put out his great arms and he took him unto himself. It is a wonderful study to watch them.

Mr. Knowles (Winnipeg North Centre): We shall take this up in caucus.

Mr. Diefenbaker: So far as the hon. gentleman is concerned, he does not come into the equation. He was the officiating clergyman, apparently. But I was not going to deal with him. I always like to listen to the hon. member for Regina-Lake Centre. He spoke of what could be done and what should be done. I wonder sometimes why the NDP government of Saskatchewan does not do some of the things that he advised today the government of Canada to do. But I do not want to bring about any dissension, I do not want to do anything that will separate the partners in this beautiful marriage. However, it was interesting to watch how the minister, with unusual velocity, found so much to approve in the speech of the hon. member for Regina-Lake Centre. I can tell him this: it is not going to hurt the union. "What could be done?" he said.

Number one, when we were in office we refused to allow the development of these horizontal increases in freight rates. The discrimination then was 15 per cent against western Canada. What is it today? Horizontal increases across the board of 15 per cent, 30 per cent, 45 per cent and 50 per cent which have placed western Canada and the Maritimes in the position of being discriminated against three times as much as when this government came into office.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: When I listened to the minister's virtuous exposition on the Canadian Transport Commission, I wondered why it was that he went out of his way to put the responsibility on that commission. He indicates, by a negative turn of the head, that he did not do that. No, the responsibility rests right over there. The first thing that should be done immediately is to put a ceiling on any further horizontal increases until there is a determination of a fair and reasonable transportation cost.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: That is number one, and that could be done tomorrow. I ask the minister, when he wants suggestions, whether he will act in that direction.

The hon. member for Regina-Lake Centre dealt with how successful governments could be in business. That was part of the general picture. I ask the minister not to be misled because I seem to remember that when the CCF government, the progenitor in fact which accepted the nomenclature of NDP, came to office, they said: "we will tell you what we are going to do: the government is going into business. We are going to operate all varieties of business". I do not have a list of them here because I was not expecting to have to deal with that, but I could give a few that I wrote down a moment ago, such as boots, leather, lumber, planing mills. They went into all kinds of business, even printing, and you know what happened? They said that there will be such great profits that they would be able to raise social security to new heights without having to increase taxation. Every one of the businesses they went into went bankrupt, every solitary one. All provinces succeed in one business, that is the liquor business. As long as there is water in the streams of Canada so long will there be profits for government in the operation of the liquor business. But outside of that, there was no success, and I hope that the minister is not giving any consideration, in spite of the close relationship between him and his party and the NDP, to going into any of these operations.

The hon. member for Regina-Lake Centre complained of the erosion of private enterprise, thereby placing before the House the benefits of public ownership. All I have to say is: by our experience in Saskatchewan you shall measure and determine the course. Now, the minister said, "But what did you people do when you were in office?" He did not tell us what he and his government were going to do. What has his government done in connection with transportation costs?

• (1720)

Some hon. Members: They raised the rates.

Mr. Diefenbaker: I do not want such a high degree of unanimity, Mr. Speaker, but apparently it covers the whole House. Does the minister forget that it was under that government that expansion of the production of rapeseed in Saskatchewan was made possible, and in the other provinces to a lesser degree, by providing the support of the party as a whole for a private bill introduced by Reynold Rapp, which brought rapeseed under the Crowsnest Pass Agreement, and therefore not only made possible the expansion of rapeseed production but put the profit on every pound of rapeseed into the pockets of western farmers? I mention just those two things. I could mention others as well.

Just by way of example, what is the minister going to do about freight rates? What is the government going to do? It is not enough for him to say that, "Some time, somewhere, some place we will tell you about it in the future." Niddle-noddle is exactly the attitude he displayed today—neither this nor that, but words mounted in great eloquence. There was no answer to the proposition placed before the House by the hon. member for Vegreville in a remarkably astute, able, and well delivered speech.

The minister spoke of northern development. Did he find any when he was up there that was not brought into affect under my administration, or as a result of the policies of this party during our period of office? What did we do for transportation? We provided assistance to every province in Canada, $7½ million over a period of five years either for the building of highways to resources, or in those provinces that did not have mineral resources, for tourist encouragement and the like.

What did we do, Mr. Speaker? Well, I remember all the criticism, I remember the Liberal party going up and down the length of Canada when I spoke of building roads into the north. They said it was a dream, that what I had in mind was to build highways from igloo to igloo. So original was that, that when I looked up the debates of 1874 respecting the Canadian Pacific Railway I found that the Liberal party of that day said "from wigwam to wigwam." That was the only change made in 80 years. There was no consideration given to the north.

I remember when we brought forward legislation to provide the guarantee for the building of the railway from near Grimshaw, Alberta, to Pine Point, how they jeered. You could almost describe it as cynical disregard for the facts. Today that railroad is one of the most lucrative in all Canada, and has opened up northern resources to an extent that was even dreamt of by us, although we realized the great potentialities of the north. We followed that policy in northern Canada, in the Yukon and the Northwest Territories. But what did we hear today from the minister? He said, "I am going to build a couple of airport warning signals. We are really thinking about it." Mr. Speaker, no minister ever got an appreciation of northern development by flying to Inuvik and back in 40 hours. Look the situation over up there. There is so much that can be done, so much to do, and so much that will bring new wealth to Canada.

When I rose today, Mr. Speaker, it was not to deal particularly with these matters, but to discuss for a while a matter of very deep concern to me, one that deserves the consideration of the House. It has to do with a subject that is being discussed now all over again. How are we going to transport the oil and the gas of northern Canada to the markets? There have been a number of alternative plans. One is by ship, a most dangerous potentiality to environmental pollution. There have been a number of suggestions that there should be pipelines. Where? There are two different routes.

I suggest to the Minister of Transport that he should fully look into a question that I raised in the House on February 15, and to which I am going to direct my remarks. As recorded at page 1311 of *Hansard* I asked:

> In view of the fact that one of the most important economic matters facing our country today is the question of the transport of oil, gas and so on from the Yukon and Alaska I wish to ask the Minister of Transport whether there is a task force now operating to the end that problems of environmental difficulty and so on will not come into being should the suggestion be accepted to build a railway from the north having its initial terminus in Saskatchewan . . .

But I am not going to argue that, even though with complete objectivity I would like to see Prince Albert in that position. There was not a word on that today. On February 15, the minister said:

So far as other highways or railways in the north are concerned, we are negotiating with the British Columbia and Alberta governments.

There was not a solitary reference to these negotiations in the wide generalities used in the speech which we just heard from the minister. On receiving that reply, I asked him:

I should like to ask him whether or not the most appropriate route would not be through Saskatchewan, and what is the estimate today of the cost of such a railway through British Columbia and Alberta with the terminus I mentioned in Saskatchewan. Have any such estimates been made?

The Acting Speaker (Mr. Boulanger): Order. It is with regret that I have to remind the right hon. member who has the floor that his time has expired.

Some hon. Members: Carry on.

[*Translation*]

The Acting Speaker (Mr. Boulanger): According to the rules, the right hon. member can continue his remarks only with the unanimous consent of the House.

Some hon. Members: Agreed.

[*English*]

Mr. Diefenbaker: I thank my colleagues and all hon. members. The answer given by the minister was:

I have not yet met with the Premier of Saskatchewan. I intend to do so.

I would think there would be no more ideal time than the present. This is one of those things that cannot but add cement to the rather uncertain relationship that prevails now. The minister added:

I think we will have to study the whole question of transportation in the north in consultation with the provinces.

What has been done, Mr. Speaker? What has been done in the last month by the government in this connection?

The minister also said:

Whenever those studies are complete I will be happy to make a report to the hon. gentleman.

I do not expect to be here until eternity, Mr. Speaker, and I simply ask: when are we going to get this report? Any time the minister would like, I am prepared to give him my place to enable him to answer that question. What is he doing except talking?

When the oil field in Alaska was discovered some four years ago there was no suggestion of railway transportation. There was silence on the part of railway companies. There was silence as the icebreaker *Manhattan* chopped its way through the inland passage north of the Arctic circle. Even when Boeing proposed flying the North Slope crude oil out of Alaska there was no response from the railroads. I agree with what has been said today by members on both sides of this House about Canadian railway companies. They do not give a tinker's damn for the average Canadian, or for providing transportation. They have reaped the benefits, taken the cream and now they want to leave ghost towns and provide the kind of service in the Chicoutimi area of the province of Quebec that was referred to earlier today.

Transportation Policy

• (1730)

In the spring of 1971 the Canadian Institute of Guided Ground Transport initiated an engineering, economic and environmental feasibility study of a railway to carry Arctic oil to market. Later, this study was expanded to include the transportation of liquid natural gas. The study was prompted by an earlier preliminary analysis by the Transportation Research Institute at Carnegie-Mellon University. With the co-operation of Carnegie-Mellon, the CNR, Canadian National Telecommunications, PROCOR Ltd., Canadian Pacific and Catalytic Enterprises Ltd., 16 professionals associated with CIGGT completed the oil transportation feasibility study. The report, which I have read carefully and which is available, concluded that such a railroad is technically and operationally feasible and appears to be financially attractive. There were various proposals. One proposed route would start at Prudhoe Bay, proceed along the Arctic slope to the Mackenzie delta and then southeast along the Mackenzie River valley for a distance of some 1,200 miles.

What is being done? What did the task force decide upon, if anything? What is the government doing today to consider the matter of railway transportation? Such a railroad would, according to estimates, require an average employment of 5,000 people for construction over a 5½-year period. It would do much to open the north; it would mean that thousands of people would establish themselves in the north in the same way as they have already been established by the U.S.S.R. in similar latitudinal areas of that country. It would mean a great increase in population in the north. It would bring about not only direct employment but indirect employment. The economic benefits would be substantial for all of us in this country.

The figures which I have indicate that the railway would require some 360 six-axle locomotive units and 11,000 tank cars of 94-ton capacity. It would require 20 trains per day of 168 cars, towed by five locomotive units, to move the necessary 2 million barrels of oil. The railway would be double-tracked, with advanced communications.

What is being done in that area? There will always be some environmental difficulties. They are inevitable no matter what mode is used to transport this oil to market. The real environmental question is simply, which mode of transportation and which route can permit the required movement of oil at acceptable economic cost within an acceptable time period and with a minimum of environmental cost? That subject deserves attention.

Let me now speak of Arctic pipelines. The great difficulty with oil pipelines in the Arctic is that they must operate at high temperatures, between 150 and 180 degrees. Buried pipelines cannot be insulated to prevent permafrost melting under such conditions. Elevated pipelines are expensive and pose additional environmental problems. A railway does not generate heat to these high temperatures and accordingly need not melt the permafrost: the thick surface layer of crushed rock ballast is good insulation and thus it is easier to prevent ground damage than it is in the case of a pipeline or even a road. As well, wildlife will benefit if there is a careful selection of route.

This could be done, Mr. Speaker. People used to say that the Hudson Bay Railway would never be built. Macdonald predicted the Hudson Bay Railway when he spoke in Regina in July, 1885. He predicted routes into the north. He said that there would be within very few years a railway to Prince Albert, the most northerly place in the territories at that time. He was right: it came in 1891. He had predicted, as well, the Hudson Bay Railway but that did not come about until Sir Wilfrid Laurier launched it in 1908.

Economically, the effects of a railway would be entirely positive, as I have said. One of the major secondary benefits would be peripheral mineral development, that is, resource development and the creation of jobs. These beneficial effects would be felt in every part of our country. We now know that the north is actually the safety deposit box of those things that through the years will assure us that freedom will survive. I ask the minister to give serious consideration to this proposal. For some reason, the bureaucrats do not want anything like this, and when the bureaucrats do not want anything they throw cold water on it. But the time has come for the government to act and follow policies along lines adopted by the administration I had the honour to lead, which effectively opened up the north for the first time.

There is a tremendous challenge in this area. To the minister I say, if he wants to take his place in the history of our country he must challenge the certainties of bureaucrats who, having determined that what they have in mind is best, refuse to face the greater issue of the future of Canada. I ask him to give consideration to my proposal, because I find more and more that parliament does not have the effect it used to have. The bureaucrats prepare the menu and the minister brings it in and says, "Eat." Amendments are denied; legislation is pushed through, even when there is a majority, by closure. In conclusion I say this to the minister, as I said at the beginning: when he speaks, this great institution lives, because he has that infinite capacity, with the knowledge that he has, of being able to speak in such a way that the House of Commons once more becomes a vital place.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I notice that the right hon. member for Prince Albert (Mr. Diefenbaker) made reference to the minister, who spoke previously. I am wondering, as a backbencher—

Mr. Bell: The hon. member is not a backbencher.

Mr. Guay (St. Boniface): —if it is in order to make comments about the remarks of the right hon. member for Prince Albert in the latter part of his speech. The first thing that comes to my mind is that Your Honour rules questions and statements out of order on the ground that they are contrary to the customs and traditions of this House and these traditions must be maintained. This is what we are told. I say to the right hon. member for Prince Albert that sometimes some of his comments fall into that category. Nevertheless, I believe that sometimes we should ignore customs and traditions if we want to introduce changes. How could men have gone to the moon otherwise? I feel that it is important to bring about these changes.

[Mr. Diefenbaker.]

• (1740)

Speaking to the motion, national transportation objectives must be supportive of society's larger goals. They cannot be overly precise, static or absolute in nature and must be conscientiously and continuously reviewed and revised. Such objectives should be expected to change, to acquire different priorities and to require balancing off against other conflicting or competing objectives. This, of course, is no more true of transportation than of other areas of governmental concern and endeavour.

I am happy that the motion speaks of national unity. I believe the loyal opposition should practise what they preach. They certainly did not try to practise that in the last general election. Some hon. members who speak at various clubs and meetings do not encourage national unity by discouraging some of the policies of this House. I wish to say, Mr. Speaker, that the Hon. Jean Marchand's—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Guay (St. Boniface): —experience in DREE will be of great help in the Department of Transport because the problems of regional disparity are closely linked with those of transportation.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): The Minister of Regional Economic Expansion (Mr. Jamieson) and the Minister of Transport (Mr. Marchand) will work together on a transportation policy. I know they will do this. The sincerity of the minister has been questioned somewhat. The choice of Mr. Marchand—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Guay (St. Boniface): —to deal with the Department of Transport was a good one, because this is a subject that he likes and in which he is interested. Mr. Marchand—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Guay (St. Boniface): —is the best choice to deal with the tens of thousands of workers related directly or indirectly to the Department of Transport. This minister is concerned about everyone in this field, from the air controllers to the pensioned workers of the railways. He has made representations to the railroad pertaining to the request of the railroad pensioners. They are asking for equality with Air Canada pensions. The minister has made these representations because these workers come under his department. As a union man, Mr. Marchand—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Guay (St. Boniface): —fully sympathizes with the needs of the ordinary workers and the ordinary people. That is why he is head of this department, the department of his choice. While he liked the Department of Regional Economic Expansion, because of what he has done since taking over the portfolio of the Department of Transport I sincerely believe that he likes it and wants to study it thoroughly. He wants to be well informed. He wants to be an authority so that not only can he answer the opposition's questions in this House but also the needs of

Canadians throughout this country. That is his purpose and dedication to his ministry.

I compliment the minister for not wanting to answer questions of which he is not sure. Instead, he puts the whole department to task, including myself, by continually having meetings in the morning, afternoon and night. He asks the departmental officials to co-operate with us, continually briefing us and informing us in various aspects of the department. He studies all matters pertaining to his department so he can best serve not only the people of the House of Commons but all Canadians. For that I compliment the minister.

An hon. Member: Nice speech.

Mr. Guay (St. Boniface): I have not finished. I hope I will be given the same time as some other speakers. Mr. Marchand—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Guay (St. Boniface): —is quite knowledgeable about the whole of Canada, including Quebec. With his Quebec background, as Minister of Transport he can use various transportation facilities from coast to coast to improve national unity in which he has so frequently demonstrated that he is a strong believer. He is convinced of this. Members of this House should follow his example and be sincere with regard to that particular policy. Mr. Marchand's—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Guay (St. Boniface): —whole career as a politician and in private life—

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order. I am sorry to interrupt the hon. member, but under the rules when addressing a minister, one should mention his title and not his name.

[*English*]

Mr. Guay (St. Boniface): Mr. Speaker, I am pleased you have brought that to my attention. I know that everyone will recognize that the minister I am speaking about is the Minister of Transport. The minister's whole career as a politician and a labour leader indicates that he is well aware of the little people, small farmers, small businessmen and the forgotten people who must rely so heavily upon transportation and for whom costs are so important.

Mr. Thomas (Moncton): I rise on a point of order, Mr. Speaker. Would the parliamentary secretary explain how his remarks are apropos this motion?

The Acting Speaker (Mr. Boulanger): Order. That is not a point of order.

Mr. MacKay: Would the parliamentary secretary accept a question now, or at the end of his remarks?

Mr. Guay (St. Boniface): The minister will do all possible to ensure equitable freight rates and other fair policies pertaining to his department. The minister's open-door policy and his willingness to meet groups who wish to make representations will be conducive to a better understanding of transportation problems across our great country. In the next few weeks, for example, the minister will be discussing transportation matters with each of Canada's premiers and with many other groups.

I wish to continue speaking to the motion and what the minister has done. It is all right for the opposition to criticize; that is their role. However, the loyal opposition has an important responsibility to be constructive in their criticism and not just to criticize for the sake of criticism. Since I have been here they have not been constructive; they do not even say what they would do; they do not really know what they want to suggest.

What has the Minister of Transport done? In the few weeks that he has been Minister of Transport he has not only been to Quebec and Ontario but to Calgary, Yellowknife and Inuvik. That shows how sincere he is in his work. Last weekend he opened some new facilities in the west. At that time he spoke of his concern for national unity. He also spoke of the importance of transportation, enabling Canadians to move about, to meet one another, to earn a living and to help in various ways.

What contributions has the minister made to regional equality? As Minister of Transport he will become involved in the same way as he did in the Department of Regional Economic Expansion. For example, during his northern trip he emphasized that to make travel easier, the policies which he mentioned must be put into effect. The minister visited Newfoundland. He will be going to Vancouver. He met with the Atlantic premiers. He will be travelling across the country to become better informed.

Mr. Hellyer: Is he stopping at St. Boniface for gas?

Mr. Guay (St. Boniface): He has not yet been to St. Boniface, but I extend an invitation to him. The minister has concerned himself about the encouragement of resource development by assisting in the development of airports and authorizing subsidies to transportation companies. I call attention, by way of example, to current plans for the B.C.—Yukon transportation system.

• (1750)

Hon. members will be aware of what my hon. friend said over the weekend in reference to the Northern Transportation Company. It is his intention to study the feasibility of railroads in the north, both as an alternative to pipelines and as a means of encouraging resource development. In addition, he has been active in promoting the greater use of unit trains. By adopting measures aimed at the expansion of port facilities he has contributed to the expansion of domestic and international trade. I draw attention, also, to the studies which are going on with regard to the improvement of our deep water port facilities, the increased use of containers and the greater efficiency of our container ports, already among the best in the world.

Consider what else has been achieved. The Seaway has been improved. The Welland canal bypass is opening this year. Bilateral air agreements have been concluded in Canada's favour. Only last week an agreement with China was announced; Canada is the first country to be granted landing rights in that country. I would remind hon. mem-

bers, too, of the decision to grant landing rights in West Germany to Canadian aircraft. All these things should be borne in mind when assessing what the minister has done. I could say a great deal more about his contribution to the improvement of the quality of life both in urban and rural areas. However, I do not have time in which to do so because I have a few more notes from which I intend to quote.

There is another area I should like to mention. It concerns the improvement of man's environment in terms of controlling pollution and preserving natural historic and cultural resources. This was an issue dealt with in a study paper published in 1971 and I quote from it briefly as follows:

> Providing for national security and ensuring adequate sources of assistance in the event of national disasters, physical and economic.

The foregoing are in large measure the points at which transportation policy-making begins and to which it must continually refer. They emphasize the need to analyse transportation problems systematically so that their constituent elements can be related to the elements of our objectives and to our broad principles. Determining the implications of these relationships is crucial to the framework for approaching this task.

Patently, it is important that we as a nation identify and articulate our transportation objectives and secure for them a broad degree of public understanding and acceptance. Achieving the necessary degree of acceptance will be no small task, given the large role of the private sector in transportation, the independence of transportation regulatory bodies, the sharing of transportation responsibilities by many levels of government, and the confusing barrage of conflicting information that seers of every description hurl upon an already confused public.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): Railways have played an important role in the development of Canada and the growth of its urban centres. The increasing need to provide for urban mobility to meet population growth in Canada's urban areas has led, however, to a situation where railway facilities are in many ways a troublesome presence which interferes with urban mobility and safety, occupies valuable sites, presents formidable obstacles to desirable directions and patterns of urban growth, and contributes significantly to the blight of land.

Accordingly, the federal government is presently considering the extension of financial aid toward the solution of railway-highway grade-crossing problems. The whole question has recently been studied in Winnipeg in a project jointly funded by federal, provincial and municipal governments and the Canadian National and Canadian Pacific railways. It is hoped that legislation will soon be introduced which will provide a mechanism to assist in the development of rail relocation or traffic rerouting schemes. A railway grade-crossing fund with annual expenditures of $15 million to $20 million is presently in existence. It is expected that new legislation will appreciably raise the ceiling of such expenditures over the years.

I would now like to quote from a submission made to the government by the Canadian Federation of Mayors and Municipalities which met with the Prime Minister (Mr. Trudeau) and members of the cabinet yesterday, March 19. I quote their submission as follows:

> A study undertaken by the Canadian Federation of Mayors and Municipalities of some 85 transportation plans from some 25 Canadian cities during the last ten years showed that only ten had been completed while others are in some stage of implementation and many have been allowed to die on the drafting boards. In many cases, plans prepared by private consultants could not stand the test of public and political scrutiny. The majority, however, failed because of an inadequate tax base at the municipal level.
>
> There is no greater challenge facing our age than coping with the surging tide and demands of urbanization as reflected in our transportation requirements.
>
> There is need for a full partnership, full co-operation, full involvement and a full understanding of the need to reallocate responsibility and resources in a manner which allows each level of government to carry out its share of the responsibility of making our communities the places of hope, opportunity and progress that we wish them to be.
>
> It is for these reasons that the municipalities of Canada seek the appointment of a municipal representative to the commissioner level of the Canadian Transport Commission.

Mr. Speaker, this is in line with the throne speech and with the meeting between the Minister of Transport (Mr. Marchand), the provincial premiers and the Western Economic Conference slated to take place on July 15, 1973. The regulatory field of transportation is never one which is popular with all the people or with all facets of the transportation industry. In this area the challenge has been to establish and to maintain, wherever possible, economically viable and competitive transportation systems. More often than not, however, public subsidies have been and will continue to be required for reasons that range from national unity to the basic needs of our people. While the trend has been, in most competitive fields, toward modernization and centralization, this will not be allowed to progress to the point of services being eliminated or reduced on purely economic grounds.

On the other hand, we must continue to look to the needs of the future. In co-operation with other levels of government, progress is being achieved. Municipal transportation systems are being tested on a practical basis using known technology. At the same time, we are actively involved in research programs which in the future could affect all modes of transportation.

While time does not permit a complete discussion of the complex field of transportation, I can assert that our policies in this field are aimed not only at filling the needs of today but they are also looking toward the needs of tomorrow. None of our programs in the field of transportation will be successful if the people they are to serve do not participate in their development. This is an area where elected representatives at all levels of government should openly express the views of the people they represent. This is what the Minister of Transport is attempting to do: he and his department are studying all aspects of their responsibilities. I assure the House and the Canadian people of the sincerity of the minister. Of all the people capable of doing this job, he is the best.

Mr. Bell: I rise on a point of order, Mr. Speaker. I understand there is some agreement we should limit our speeches tonight to 15 minutes. I do not think an order need be made, but everybody can prepare their speeches

with that shorter period in mind and Your Honour might see that this arrangement is carried out.

The Acting Speaker (Mr. Boulanger): Is that agreed?

Some hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mr. Boulanger): It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. J. R. Ellis (Hastings): Mr. Speaker, the subject this evening is transportation. The problem is the lack of leadership. The answer is common sense. The need is for a completely new, imaginative approach to transportation in Canada—in short, an entirely new transportation policy. Transportation is the one area which affects the lives of all Canadians. Basic legislation in this area is a makeshift, patch job over old ideas that were barely adequate when introduced. Successive ministers of transport over the past ten to 12 years have failed miserably to produce leadership or a cohesive on-going plan of action.

Aware that my colleagues will be dealing with specific regional problems, I intend to cover generally some of the areas of concern to those of us in Ontario. No matter where one looks, the lack of future planning is evident. On water, we find harbours that are as antiquated as the pork-barrel method of appointing commissioners to the harbours boards. Not only are the harbours not integrated into the over-all transportation system, but they frequently fail properly to serve the recreational needs of the community of which they are part. With harbours a blight on many waterfronts, the harbours boards perpetuate a style and system even less adequate than the government which created them.

In the air, we have seen the government play power politics with people over airports, and all at the expense of the Canadian taxpayer. We end up with two airports where one was obviously adequate, with none where one is desperately needed and easily provided, with extensions of airports at terrible cost to people and the environment. Obvious planning just a short time ago would have avoided all these problems. It is my personal opinion that a second airport in the Toronto region is absolutely uncalled for, unnecessary and an affront to common sense. I am proud to belong to a party where I can take this stand, knowing I will be listened to and not forced to hew the party line, in this case a Liberal party line—a line of obvious fiscal and environmental insanity.

Airlines are being forced to service areas other than the highest population density areas where the majority of the travelling public originates. Passengers from some areas frequently have to travel the same airspace twice to a destination because of inadequate service. Foul-ups of all kinds are the order of the day, and passenger service is

frequently the last requisite of a change in policy. Canadians are still forced to pay more for travel in their own country, on their own government-owned airline, than they do to leave their country on their own or any other airline. These and the new charter regulations make a mockery out of common sense. Already the new advance booking charter rules are being broken. The ABC rules mean "Any Body Can", and they do.

In the private and industrial flying sector, the situation is worse. Millions of dollars are spent annually on searches for lost aircraft. A portion of that money would provide a network of radio beams which would definitely go a long way toward doing away with the basic cause of accidents. I could not agree more with the many private pilots who claim that the cost of the so-called art at the major airports across Canada would easily pay for a good guidance system.

Truck transport is such a complete shemozzle in Canada that it is hard to know where to start. Lack of uniform licensing codes between provinces puts carriers in this field at a distinct disadvantage to trains. Railways buying out trucking lines with taxpayers' money to compete against other trucking firms owned by those same taxpayers seems to me the height of a ridiculous situation. The lack of leadership in this field is appalling.

Railways are the backbone of this country, both literally and figuratively. One might say that the country was formed to build a railroad and the building of the railroad formed the country. The railroads were built under adverse conditions, with equipment and techniques current then but antiquated in light of present day technology. They were built, however, with vigour by ingenious and daring men, and for one reason only—to serve a growing country.

The Liberal party has an interesting record in the area of railroads, one which continues to this day. In the late 1800s, after 18 years in opposition they denounced the fledgling Canadian Pacific Railway as an insane and ruinous defiance of North America's natural transport routes. Let me quote Mr. Donald Creighton, a Canadian historian of excellent repute, when he spoke of Mr. Laurier presenting the transport phase of the new Liberal nationalism.

> They flung to the winds their old prudent and parsimonious misgivings about trans-continental railway enterprises; and with a swiftness and completeness acquired through frequent practice, they paid the last of the Conservative national policies—the policy of all-Canadian transport—the supreme compliment of adoption. Against all their grave warnings and gloomy predictions, the Canadian Pacific Railway had proved itself a tremendous success.

• (2010)

And the country grew and Mr. Laurier furthered this newly adopted policy.

> —the Prime Minister's control of railway policy was absolute; and his great new railway enterprises moved steadily forward as lavish in execution as they had been grandiose in conception. The supervision of its construction was ostensibly entrusted by Laurier to a special National Trans-continental Railway Commission, composed of commissioners who knew nothing about railways and chaired by an ousted Liberal premier of Quebec—Simon Napoleon Parent, who regarded his appointment as a well-merited opportunity of serving the Liberal party and rewarding its political friends.

Continuing to quote Mr. Creighton when he spoke of Mr. Arthur Meighen who for a short while was Prime Minister of Canada:

He had never assumed that the Conservative policies of the nineteenth century were a sufficient answer to the problems of the twentieth. As a principal author of the Canadian National Railways he was strongly committed to state ownership.

Mr. Speaker, while I would love to go on and read much more of this fine book, I will end with this quote:

The Liberals had always preached a highly decentralized Canadian federalism. They had opposed Macdonald's national policies during the nineteenth century; and they had resisted most Conservative attempts to use the power of the state to carry out the characteristic national purposes of the twentieth.

What is the situation now? Carrying forward debts, not of their own making, the CNR has for a number of years been guilty of providing far less than adequate service, abandoning lines, reducing services, and of behaviour not becoming a well run railroad. A single example might be the much discussed passenger service between Barrie and Toronto. Made an election issue in an attempt to defeat the hon. member from York-Simcoe, $100,000 was promised by the Liberal government to test this service and, sure enough, the day after the election the test period began. Approximately a month later it stopped. Despite the fact that it carried almost exactly the proposed estimated daily number of passengers, it was termed a failure.

The charge supposedly paid by the federal government to the Canadian National Railways per coach was about $450 and yet two years earlier, in October, 1969, a private citizen, Mr. John Medcof of Barrie, rented the same coaches from the CN at $150 per coach and made a profit on his trial run. No attempt was made to tie in the experimental service with interconnecting buses or other existing services. This will give you some indication of the sincerity with which this government approaches the need for train commuter service in Ontario.

I must take this opportunity, Mr. Speaker, to read into the record again a question which the hon. member for Bruce (Mr. Whicher) asked in the House of Commons on March 9 of the Minister of Transport (Mr. Marchand):

Last June the Standing Committee on Transport and Communications recommended that all rail passenger services which were discontinued on November 1, 1970, in southwestern Ontario be re-established immediately and, second, that a joint study group of federal, provincial, and municipal officials and railway employees be established to determine a minimum rail passenger network at the lowest possible cost. This unanimous recommendation to parliament was signed by 20 members almost nine months ago. When is the minister going to take action on this matter?

The minister, in an equally long answer which said virtually nothing, blamed the fact that we had no railroads on the provincial government of Ontario and the government of metro Toronto. What the hon. member for Bruce wanted, of course, was service in an area where the federal government, if it wants to, can exercise complete control. The intercity passenger transport study, which the minister referred to as the Sobermann report, is an excellent research document and could well be the basis of future services, if it is ever used. One of the conclusions of this report is that in the 1970s—

The greatest benefit would be derived from improvements in the existing modes, such as on-time reliability (and consequent reduction in waiting time), passenger processing procedures, and rail improvements using existing trackage.

To this I add my own partial list of problems concerning commuter trains: the elimination of decent food service on trains is a cause of much complaint; the lack of adequate baggage handling facilities further discourages the travelling public; the lack of co-ordination of schedules with other services, and even other trains, confuses and further prohibits train travel; and the use of old-fashioned, uncooled, poorly ventilated coaches makes travel distasteful.

Mr. Speaker, may I make it abundantly clear, as I have in other instances of criticism on my part, that I am not condemning the employees of the Canadian National Railways or, for that matter, Air Canada. It is safe to say that I know almost a thousand of these employees personally, coming as I do from Belleville, the Rideau area headquarters of the Canadian National, and I know them to be conscientious, hard working individuals dedicated to their tasks, from the running trades to top management. No, Mr. Speaker, I lay the blame for this dreadful service right at the door of this government, and particularly the Minister of Transport. The Canadian National Railways and Air Canada are operators; they carry out the policy, or lack thereof, to the best of their ability. Where this policy is outdated or completely lacking we cannot possibly blame the operators for the deplorable conditions.

The common sense answer to most of the criticism I have levelled comes in the form of a new transportation policy. Just as Mr. Meighen was not prepared to accept the policies of the nineteenth century as being good enough for the twentieth, so the policies of the first half of the twentieth century are not relevant in the last half and, indeed, in this fast-paced world in which we live the policies of the 1960s are not readily acceptable in the 1970s.

In the field of research and development surely this country, which has a wealth of scientific and engineering talent, could develop a transportation system, if not better than, at least equal to the Japan national railways' system which operates trains at 150 m.p.h., or the French national railways' system which holds a rail speed record of 205 m.p.h. Do we really have to wait on a United States-based firm to spend years developing a train like the Turbo which balks at cold weather? Perhaps the U.S. or the Minister of Transport has not realized we have snow here in the winter.

Finally, Mr. Speaker, I find it completely inconsistent that with the inadequacies I have pointed out, and with those outlined by my colleagues, we could possibly need an increase in the estimates for this year. I find, however, that the department has asked for an additional $224,303,000 and before these estimates can be passed we have a request for supplementary estimates of $107,308,580. The Canadian public will not long stand for this kind of extravagance. I am confident I speak for most taxpayers when I say that they are prepared to pay for services rendered, but to have budgets increased as these are, and still be presented with the level of service available today, is unpardonable.

Properly operated, the Department of Transport has, in my opinion, far greater potential for the reduction of

regional disparity in the country than the Department of Regional Economic Expansion or any other gerrymandering program developed by this government. The key words are "properly operated". The Trudeau government has not to date demonstrated any ability or inclination to bring this department, or any other for that matter, into the present, never mind the future. My colleagues, under the Leader of the Opposition (Mr. Stanfield), are prepared to use the daring, imagination and initiative, inherently part of our party over the years, to bring about the changes required.

I see I have taken 15 minutes, Mr. Speaker.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I rise to say a few words on the subject of transportation, the issue having been brought before the House on the motion that we need an over-all, integrated national transportation policy. The mover of the motion points out that immediately upon this being found, it will solve the vital Canadian issues of unity, regional equality, the encouragement of resource development, the increase of international and domestic trade and the betterment of the urban and rural quality of life. This is an amazing proposition. Obviously, the search must be on in a very thorough way to find this tremendous national policy which would produce all these fantastic results.

• (2020)

The motion comes forward, in other words, in response to the fact that, in more precise words, the mover thinks there are improvements which could be made to our transportation policy. I do not suppose anyone would deny that. No matter who comes forward with a national transportation policy, there would be those who would suggest improvements to it.

Indeed, in this large country, with its low population, we are very dependent upon a national transportation system. It should not be assumed that some magic theory will suddenly produce a policy which will solve all our problems and create these great good things which the mover of the motion, the hon. member for Vegreville (Mr. Mazankowski), has decided would happen if a magic transportation policy were discovered. It is, of course, much easier to point to a specific problems, anomalies and difficulties than it is to establish cures which in fact not only deal with the problem but avoid creating new difficulties and new anomalies. That, of course, is an issue which is before us and will be before us for a long time.

It is rather ironic that a man from western Canada should move this motion at a time when the government, in the Speech from the Throne, has indicated a fundamental awareness of the need to examine transportation issues, to discuss these with the provincial governments and to produce results which will indeed further economic development in those areas of the country where that is the pressing need. It is, I suppose, fairly typical of these opposition motions and attacks that they usually come exactly in the area where a great deal of thinking and activity is going on and where, indeed, they suspect we are likely to be moving toward new solutions and they want to appear to have been pressing for the improvements. That, of course, is nothing new and is not something we should be surprised about or should indeed argue against. That is the role of an opposition. The question is whether it is being performed well or not very well.

The matter of a national transportation policy includes some pretty major questions about what we are doing and how we are doing it. There is also the rather important question of who will pay for what is done. No one should think that simple bookkeeping would change the fundamentals of that. The hon. member for Regina-Lake Centre (Mr. Benjamin) seems to think that if we transferred the debts of the CNR from one account to another, that would bring about great gains. I think members should realize that the nature of the accounts, expenditures and the profit and income position, is understood and known. No simple transfer will make any difference at all.

The call for a new national transportation policy reminds one, as the hon. member for Hastings (Mr. Ellis) has been reminded, of other national policies, particularly the national policy of Macdonald, which have had a part to play in the development of this country. Of course, the problems in respect of that national policy have created some anomalies and inequities such as in the tariff which the Tories built and maintained—which must be overcome by a new dynamic policy—which resulted from that structural development. Not only do we have the Speech from the Throne, but we have what the Prime Minister (Mr. Trudeau) said when he was in the west, to the effect that he would be seeking a new national policy which would meet the aspirations of western Canada.

Many of us know, when we seek solutions to meet the aspirations of western Canada, they will be the same solutions which will meet the aspirations of other regions of the country, the Maritimes and eastern regions as well as the west. Solutions are the same for them because the transportation problem, the development problem and the population problem are often the same. Then we have hon. members saying that we need improvements. They point to things being done or which will no doubt be done in the next six months or a year and use those as examples. But they have not yet pointed out any co-ordinated and integrated national policy they would suggest be put in place, because when they have to come to specifics it is not that simple a job.

We have some examples of our progress in improving handling in the transportation system and the movement of products. Members opposite frequently have forgotten what has been done. I think, for instance, of the movement of grain in this country. Only a few weeks ago hon. members opposite stood up and asked when we would create a system of control or co-ordination for the movement of grain. They do not seem to realize that with the introduction of the block system in Winnipeg, and the co-operation which resulted from its operation and the introduction of a co-ordinator at the terminal at both ends for the movement of grain, we have in fact put in place an organized, efficient system for handling the movement of this extremely important product.

The only really difficult problems which hon. members can cite against the progress which has been made, against the performance of the handling of grain, comes when circumstances occur over which no one can have any or easy control. Among those which no one can control are weather conditions such as we had last year.

These unusual weather conditions impeded the movement of grain. Those over which one has control only with difficulty include the weapon of the strike, the industrial dispute which leads to a stoppage of work. This is not easy for anyone to solve, as we have seen in jurisdiction after jurisdiction, provincial and federal, in this country. Governments, whether they be Conservative and fail for months to manage to handle an elevator strike, or NDP, as in Saskatchewan, and have one of the worst years in the history of that province in terms of labour disputes, find it impossible to face up to the difficult problem of overcoming the decision of employees and of employers to disagree about how they will settle their arrangements between themselves.

These are examples which members opposite can cite as a temporary problem or failure of the system. But when these do not occur, the system works amazingly well; it works superbly. The system is capable of setting new records. It has allowed the handling of grain at a record level of millions of bushels beyond that forecast as possible with the same system only a short time before. That is a performance which is important and worth remembering.

We have, of course, in the area of the movement of grain the old and traditional friend, the Crowsnest pass rates. The Crowsnest rates have meant that the mover of grain has not been subject to a charge higher than that which existed in 1896, and he is not to this day. There are many people in western Canada who think this is a tremendous benefit to the west. The fact is, of course, that it has not worked out quite that way, because the cost of moving the product must be borne whether it is in freight rates or in some other form. In the system we face now there is the possibility of losses on products moved under those statutory rates being recovered from the rates which are charged on other products in the competitive area. Others very close to those who benefit from the statutory rates often bear the burden of the loss on those rates in the manner of recovery of the costs.

This is a fact which we should bear in mind and should not run away from when looking at the over-all question of how we can make more sensible our rate structure and the way in which it affects the development of the country. No one from the west could possibly ignore the anomalies which exist. Because of competitive conditions which may exist at the west coast or at some similar long distance point from the originating point, rates may be lower than those which are charged on the Prairies for the delivery of goods at an intermediate point.

• (2030)

The costing people can make a case for the fact that if you did not have lower rates, you would not move the goods and that the total cost on shorter hauls would in fact be higher. But it is at that point that we as a government clearly have to examine the question. These are the sort of questions which we are and will be examining as we look at what should be done and can be done to encourage development in regions such as western Canada where so much growth is possible and desirable for the good of the country as a whole.

[Mr. Lang.]

When hon. members worry about the rail system's ability to move grain, they should take note of the fact that it has done an amazingly good job of placing at the required point the grain that is needed for sale by the Canadian Wheat Board. There have been new records every year. The selling and exporting of more grain than has been grown for two years in a row, and this in an orderly fashion, leads our buyers to have more confidence in our system than they have in that of some of our competitors.

The complaints which have existed about our system have paled into insignificance compared with the kind of problems which are being faced even in the United States, where there is lack of co-ordination and lack of knowledge of the amounts of grain which may be moved at any given point in time. They have had difficulties in organizing their system and in trying to get the grain to the port where the buyer wants it. They have had ten times more ships waiting compared with our worst periods, and this without weather problems but as a result of the difference in the nature of the systems.

We try to make sure that our system will carry the grain that ought to be carried. I should say to hon. members that there are some who still seem to think that our view that changes are needed in the handling system is somehow a criticism of its capacity to handle the grain at present. That criticism really misses the point. Capacity is one element, and there are some of us who believe, as I do, that we should have the capacity to move into export even more grain than we have moved in the two previous record years. But it is not the capacity of the system that is of major concern, because that can be added to by some minor modifications in the system. It is not the capacity of the system which is causing the examination of it and raising the question of change; it is the cost of the system.

I say time and time again to people in the prairie region interested in the grain industry that we should look at the money available to them as a total of what they will get for the goods they sell, plus what the treasury may make available for national policy reasons, and out of that sum anything that goes for cost will be their loss. If the cost is higher than necessary, then obviously we have a significant problem.

This is where I come to the interesting comments of the hon. member for Regina-Lake Centre who thinks that the simple procedure in regard to the grain handling system is to do nothing for five years, to have a five-year delay in the removal of branch lines, without regard to the fact that this is a matter of cost, and it is not just a cost to the rail system but a cost to the elevator system which is served by it which also is significantly higher than it need be if the grain is moved through fewer houses.

We have said repeatedly that in our view these facts relating to cost should be made clearly available to producers—we have been doing a great deal to ensure that this will happen—and the producers should have a chance to choose whether they receive the lower-cost system, with the changes which are required to bring it about, or whether they are willing to pay for the higher-cost system thus avoiding the adjustments which are involved.

Mr. Deputy Speaker: Order, please. I regret to interrupt the minister but the time allotted to him, unless it is

extended by unanimity of the House, has expired under the order passed earlier.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, the Prime Minister (Mr. Trudeau) recently assured western Canada that it is the intention of his government to lend a more attentive ear to problems voiced by western Canadians. He maintained that the difficulties confronting western Canada concerned him and his government as much as did those of any other region of Canada. However, as one who feels he has some understanding of the situation in western Canada, I doubt the government's sincerity, and so do the people. Our scepticism can be attributed to numerous instances in the past where a succession of Liberal governments have failed to honour their commitments to the west. "Credibility" is the word. History has made it hard for us to be very optimistic.

No other single issue in recent years has damaged the government's credibility in Winnipeg and Manitoba as much as the transfer of the Air Canada overhaul base from Winnipeg to Dorval. This House is quite familiar with the circumstances, both past and present, surrounding the transfer. However, let me once again briefly acquaint the Prime Minister, the Minister of Transport (Mr. Marchand) and the Minister of National Defence (Mr. Richardson) with the history of the transfer and some of the repercussions which have followed because of it.

To most Air Canada employees who were transferred from Winnipeg to Dorval, the year 1948 is synonymous with the appointment of G. R. McGregor as TCA president. In that year rumours started that the airline was moving out of Manitoba. McGregor, who was born and raised in Montreal, was instrumental in moving the headquarters' staff to Montreal. Over the years he achieved, as the records show, the relocation of most of the TCA operations that were originally started in Winnipeg. While the moves were actually taking place, Mr. McGregor and C. D. Howe, then the minister of transport, denied there was any transfer in progress. For example, in July, 1948, Mr. Howe said that 95 per cent of TCA would remain in Winnipeg. In July, 1949, Mr. McGregor stated:

> TCA's long association with Winnipeg has been a very happy one, and will continue . . . in Winnipeg.

He also said:

> The cost of moving it would be tremendous and TCA would be moving from an area in which it can hire good mechanical help in an apparently abundant supply, to an area where that supply, both as quality and quantity, is not comparable.

This was the case, and still is. When TCA was established in 1937, Winnipeg was chosen as the overhaul centre by a group of unbiased American experts who based their choice on all the pertinent factors, that is, dry climate, clear flying weather, land values, construction costs, taxation, etc. Presumably, these experts had no axe to grind and were solely interested in locating in the most logical area of Canada. This they did. When the facilities were transferred outright in 1969, the base was an extremely efficient and well administered operation with the capacity to handle jet age aircraft and technology.

At any rate, the 1950s saw repeated denials by government officials of a wholesale transfer. Nevertheless, the transfer continued. For example, in 1951 the major portion of the engineer's department and a number of radio technicians were moved. The year 1952 saw the communications laboratory moved to Dorval. In March of 1963, Mr. Pearson stated that it was in the national interest that Winnipeg should be an air centre and TCA operations and services should continue to this end. Mr. Pearson also stated: "The proper location of TCA's facilities and services will be determined in a manner which is fair and equitable to the city of Winnipeg." In December of that year, Manitoba was assured by Mr. Pearson: " . . . it is the policy of the government to do everything possible to maintain employment at the TCA base in Winnipeg, and if possible to increase it."

• (2040)

In a letter dated May 23, 1968, to Premier Weir of Manitoba, the Prime Minister wrote: "You may be assured that the present government will honour the commitment made by my predecessor, the Right Hon. L. B. Pearson, and that we will, in addition, vigorously search out alternatives aimed at maintaining a viable aircraft support industry in Manitoba." These were merely a few of the promises made to the people of Winnipeg, employees of Air Canada and the aerospace industry in Manitoba. In the end, the Air Canada overhaul operation in Winnipeg was phased out. CAE Aircraft, a division of Northwest Industries of Edmonton, acquired the base and was assured of federal government assistance in establishing itself as a viable substitute for Air Canada in Winnipeg. The firm, however, has been beset with financial difficulties.

Skilled personnel have had to leave Manitoba and seek employment elsewhere. Former Air Canada employees who chose to stay in Winnipeg rather than move to Dorval have finally had to relocate there. Where is the federal government now? What about the promises to maintain a viable aircraft industry in the province? This is what I mean by the term "credibility" that I mentioned earlier. The federal government has none in Manitoba. There is only a credibility gap. The government has failed miserably thus far in honouring its promises.

Rather than cite a surfeit of other promises and agreements in which federal government officials assured us that the future of Air Canada in Winnipeg was secure, I would like to dwell on a vitally important factor which often has been overlooked in this entire fiasco. This is the human factor. For several months I have been studying the events and circumstances surrounding the transfer of this overhaul base to Dorval. I have received great quantities of mail from individuals who were transferred from Winnipeg to Dorval. I have travelled there and talked with the employees, and plan to do so soon again. From all of this I have learned of the tremendous costs being incurred by the operation at Dorval. It is neither efficient nor economical.

But beyond all this is the effect of such a move upon the Air Canada employee, upon the individual's well-being. Worker morale at Dorval is low. Many employees resent having been forced to move because of lack of employment in Winnipeg. They blame the government. Social

commentator Vance Packard points out in his book "A Nation of Strangers" that North Americans who are forced to move often encounter psychological problems which are more acute than people realize. Packard says that people who have no roots in the area to which they move often become isolated and indifferent to community problems, while being obsessed with their own difficulties. In studying aerospace communities, Packard discovered that their ever-changing populations are often beset by everything from infidelity to alcoholism. This book is an exhaustive study which attempts to alert people to the hazards of mobility. The problems Packard discusses obviously exist in many communities, and from what I know of the Dorval situation I would not be surprised to discover there pronounced difficulties of this nature.

It is time the government took heed of the situation. As Manitoba's representative in the cabinet, the Minister of National Defence must press for action. The people of Manitoba can no longer depend on the Prime Minister and his promises. It also appears that we can no longer depend upon the hon. member for Winnipeg South, either. Was it not he who said that the transfer was "one of the worst decisions made in Canadian history"? It was also he who said: "No one endorses more strongly than I do the concept of decentralization of industrial activity." Yet the minister is content to acquiesce while the government of which he is part does nothing to act upon its promises to the city of Winnipeg and to the aerospace industry in Manitoba. Instead, the government tries to bribe the people of Manitoba with token gestures announced by a Minister of National Defence whose credibility rating is quickly declining.

The Minister of National Defence has refused to inspect the Dorval situation, and to my knowledge—

An hon. Member: What about the Mint?

Mr. McKenzie: Oh, it will be staffed by people from Quebec. To my knowledge, he has also declined offers from Air Canada employees for a tour of the facilities at Dorval. I hope I am wrong in that statement. Earlier I spoke of credibility. To keep his credibility, the Minister of National Defence must press immediately for generous government assistance to establish a productive aerospace industry in Manitoba. If such measures are not forthcoming, then he should resign from the cabinet so as to demonstrate his sincerity in articulating the western position federally and to save any credibility he might have left with regard to this entire issue.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if there is one subject which has dominated Canadian parliaments ever since this country was put together, it must be the subject of transportation. If there is one thing this country is dependent upon, it is of course transportation. For that reason it has always been dominant in the speeches of parliamentarians and of people outside politics.

Transportation is the vital link which holds, or tries to hold, this country together. Successive governments have attempted to deal with it in order to come up with a policy that will satisfy all aspects of Canada. Of course, Mr. Speaker, this country being the kind of country it is, there has never been a policy which has satisfied all parts of it; and listening to this debate and hearing hon. members from all sides, I must say I have not heard any policy tonight which will satisfy all parts of the country.

In particular, the speech given by the hon. member for Vegreville (Mr. Mazankowski) who led off the debate was lacking in any ideas as to changes that might take place. The hon. member for Regina-Lake Centre (Mr. Benjamin) was a little more constructive in that he had something to offer, even though he was going to settle the problem by nationalizing it all, thereby sweeping it under the rug, and taxing the Canadian people to provide services that are not necessarily economic, sensible or reasonable.

I come from an area of Canada which I call on the outer fringes. By that I mean it is not an area near or attached directly to any of the metropolitan centres of Montreal, Toronto and Vancouver. Consequently, the problem that the people in my region face is very similar to that faced by those represented by the hon. member for Vegreville and by the hon. member for Regina-Lake Centre, in that our areas have declining population vis-à-vis the metropolitan centres.

The argument, of course, is over whether or not this decline in population, this change in our economic fortunes has been caused by economic policies, by tariff policies, by transportation policies, or whatever. But the point, surely, is that in a dynamic country such as Canada, which is basically still a developing country, there cannot be any policy that is static, that is stable, to deal with a problem which is continually evolving. In other words, anybody who comes to the House of Commons and says, "I have the answer for now and forever" is making the assumption that the country is never going to change, and that of course is ridiculous.

What all this means is that any policies we propose and legislate, we must be prepared to overthrow in a few years as the country develops in ways which are unbeknownst to us. In an area such as northwestern Ontario, its problems are compounded by the fact that the federal government, looking at the over-all statistics as to how Canada operates, regards my area as part of the wealthiest province of all. When you want to talk about a problem that is of legitimate concern to the people of northwestern Ontario, the federal government says, "You must go to the government of Ontario because it has the power and, more important, the money that is necessary for dealing with the problem." In addition, of course, most of the province's population is not distributed around the northwest but is to be found in the golden horseshoe area, in and around Toronto. This means that our transportation problems are never considered as serious as those of eastern Ontario, simply because the population is not in our area. The population is in and around Toronto, not in the north. Consequently, Mr. Speaker, although we have a pretty good idea of what our transportation problems are, we can never find any way of obtaining substantial redress.

• (2050)

Let me indicate some of the frustrations the people of my area have experienced in the fields of national and provincial transportation policies. It seems to us that

those policies, hand in hand, discriminate against those who are isolated from the metropolitan centres. Whether this discrimination is deliberate or accidental, I cannot say. Nevertheless, it does happen, probably naturally, because both governments are inclined to pay more attention to the larger centres of population than to the more sparsely settled areas.

The size of the problem was brought home to me when the government announced in the Speech from the Throne that there would be a conference of western provinces to discuss transportation problems. By definition, Mr. Speaker, that eliminated the province of Ontario and eliminated my region which on most issues has more in common with the west than with the province of Ontario.

Mr. Alexander: Are you criticizing your own leader?

Mr. Reid: Northwestern Ontario is the great land bridge between the Prairies and eastern centres such as Hamilton. Our problem is that transportation systems seem to be designed to pass through, around and over our area but not to stop there and participate in the growth of the area. This is frustrating because even though the area from which I come is in the centre of Canada, very little happens there. Whether this is because of transportation circumstances, the nature of the climate or the resources with which we deal, I do not know. However, our birth rate is high.

Mr. Alexander: I was tempted to reply to the hon. member, but I will not.

Mr. Reid: So we face a number of problems in dealing with transportation systems. Part of our problem is that often the needs of our area do not fit into the national pattern or even into the existing provincial pattern. Let me give Your Honour a brief example. The hon. member for Regina-Lake Centre berated TransAir for obtaining a franchise to run between Winnipeg and Toronto. The route goes from Winnipeg to Dryden, Thunder Bay, Sault Ste. Marie, Toronto and back. This franchise was granted so that Trans Air could serve northwestern Ontario adequately. Another service was to operate from Winnipeg to Thunder Bay and to Toronto. The idea was that this service would subsidize jet service to northwestern Ontario and throughout northern Manitoba.

Since there are no subsidies available for tertiary carriers of this nature, the Canadian Transport Commission provided those runs to permit TransAir to upgrade its equipment. When they first began their service throughout northwestern Ontario, they used DC3s. The route went from Winnipeg to Kenora, Dryden, Thunder Bay and Sault Ste. Marie along with another service that used a jet for servicing Winnipeg, Thunder Bay and Toronto. For awhile this was a perfectly acceptable solution. Then the traffic grew so much on the former route that Trans Air replaced the aircraft used with those of greater capacity; more traffic was generated from my section of northwestern Ontario than had been anticipated. Unfortunately, the increase in traffic encouraged Trans Air to put a jet on that service, which eliminated the town of Kenora from the direct service it had enjoyed. The existing service was replaced by one utilizing YS-11A aircraft. That service has since degenerated and a twin-engine Otter aircraft is used.

Although the general transportation system of the area has been improved because of the jet service, made possible by providing Trans Air with a route with which to subsidize the former route, in towns like Kenora there has been a substantial deterioration of service resulting from the improved equipment which Trans Air is using. This, it strikes me, is one of the problems which all such small communities need to face.

As diesels have been introduced, and jet aircraft, the improved equipment can only operate effectively over longer distances, which means that communities lying in between must suffer a deterioration of service which can only be described as substantial. One has only to look at the way in which the railways now treat areas in between major centres. No longer do they have agents in these small communities and no longer do they maintain telegraph service there. Instead, they maintain service centres, which means that one must get in touch with the railway by long distance telephone to reach the appropriate office in one of the larger centres. Nothing except substantially diminishing service is available to the people of these small communities. For example, no longer is it possible at Dryden or Kenora for freight to be dropped off at the station. If a shipment is coming from Toronto, it must go to Winnipeg and be shipped back.

An hon. Member: What are you going to do about it?

Mr. Reid: It must come back almost 200 miles.

Mr. Alexander: There is the same problem in Hamilton. The question is, what will the minister do?

Mr. Reid: In talking about transportation we must ask, who is to pay? The difficulty we face is that the railways, airlines and other modes of transportation improve in efficiency, they do not improve the efficiency of service to smaller centres. Rather, they improve the efficiency of service to larger centres. This has put tremendous pressure on smaller communities which need to be served. Whether this has happened as a result of deliberate action on the part of those involved in the transportation system, or whether it is natural evolution of the kind which has taken place on the world market is a question open to debate and it is a point with which I do not intend to deal. What we are talking about is the provision of service to small communities. In any discussion of this nature concerning transportation, we must determine what is a fair and adequate rate structure, then determine who is to bear the extra cost, and then who must bear the cost of the subsidy.

I recall when I was a member of the Standing Committee on Transport and Communications that we discussed the elimination of the "Dominion" train which at that time travelled across Canada. We met with both CPR and CNR officials. One statement attributed to the president of the CPR, at that time Mr. Sinclair, was to the effect that even if the "Dominion" train were operating at 100 per cent capacity, and even if a row of seats were to be put on top of the train, open to the elements, enough revenue would still not be generated to pay the expenses. We heard the same story from the CNR. At that time Canadian National

was attempting to attract more passenger traffic. The point is, however, that the CPR has deliberately attempted to scuttle its passenger service and has not maintained equipment at a proper level. It is not providing sufficient service.

An hon. Member: Neither is the CNR.

Mr. Reid: You cannot get a reservation even if you try.

An hon. Member: The same applies to the CNR.

Mr. Reid: Let me deal with the CPR. Recently a group of students from Kenora travelled east on an educational tour. Did they travel by CPR? Not on your life, Mr. Speaker. They couldn't afford it. They took the CNR. It seems to me that in the circumstances, since the Canadian government has adopted the formula whereby it picks up 50 per cent of the operating loss on passenger service on both CNR and CPR, the formula is not properly structured. It should be revised to provide that the government would pick up 80 per cent, but only after it had penalized the railways for not filling passenger cars to capacity. In other words, I am suggesting that the obligation should be—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him under the order of the House made earlier has expired.

• (2100)

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, I confess that I was somewhat disappointed in the opening remarks of the right hon. member for Prince Albert (Mr. Diefenbaker) this afternoon when he, in true Pavlovian fashion, executed that old knee jerk reaction as he repeated once again the old refrain about the failure of public ownership in his province of Saskatchewan—failure due, alas, to that wicked NDP government. But he did recover somewhat, I thought, as he went on to castigate the failure of the present government to enunciate any kind of intelligible transportation policy.

Things picked up for the government, however, when the hon. member for St. Boniface (Mr. Guay) rose to speak. His eulogistic phrases for the Minister of Transport (Mr. Marchand) dropped like the gentle rain from heaven and I listened with rapt attention until he spoke so glowingly of the minister's Herculean efforts in the area of railroad pensions. At that point I shut off my speaker because I realized that the gentle rain had made him all wet. I am not going to attack the Minister of Transport. If anything, I would commiserate with him for he, poor soul, has inherited several generations of bungling from successive Tory and Liberal governments who would not know a transportation policy from a Prince Albert radish, whatever that is.

Canadian transportation policy started with John A. Macdonald who united this country with a band of steel, as the historians put it. Also, at the same time we gave away half of this country to the CPR, an act which gave that company an advantage which it has never yielded: it still owns a great part of Canada, one way or another. In the days of R. B. Bennett and Mackenzie King, the Canadian railway situation was pretty desperate. The public investment in the CNR and CPR, not counting the CNR debts to the government on which no interest was paid, amounted to $2,200,000,000. Railway transportation was such a mess that CNR president Sir Henry Thornton suggested a royal commission to attack the whole problem. The commission was struck, and like most Tory and Grit commissions it achieved nothing but more expense to the taxpayer. Is anyone surprised?

At the time there was a suggestion that the two railways be merged under public ownership, but the commission opposed that idea. So did the other place. In fact, a group of Montreal bankers, throwing up their hands in shocked horror, made a counter proposal that the CPR take over the CNR in the interests of private entrepreneurship. But, fortunately, the Canadian people would have none of it since the majority believed in public ownership. Various other measures were suggested and some tried, but nothing worked, and by 1937 the Canadian people were paying interest charges on a debt of $3 billion, a debt which became a millstone around the necks of the Canadian people.

In 1973 we still have a national railway and a private railway, with the private company still skimming off the goodies and the national railway running a poor second. The Canadian people have long since accepted the principle of public ownership of railways. All that remains, Mr. Speaker, is to persuade the representatives of the people that it is in the best interests of Canada to take over the CPR and to develop one unified transportation system whose main function would be to provide fast, safe and efficient service for the people of Canada.

This brings me to the next matter that I wish to speak of in connection with railways. I would like to speak of the inequities that plague the men and women who work for our own national railway system, the CNR. When referring to the CPR, just multiply by two. One would think that since the CNR is wholly-owned by the people of Canada, it would be concerned to provide much needed jobs at a time when unemployment is one of the social problems of greatest concern to its owners, the Canadian public. In actual fact, according to the information I have, the CNR is busily engaged in reducing the size of its work force on the west coast, is showing a lamentable lack of interest in providing necessary safety precautions in the Fraser canyon, and is doing its best to compete with the CPR in providing the worst possible pension scheme.

Hardly a day goes by that I and my colleagues do not receive letters and phone calls from disgruntled railroad employees. The present work-to-rule situation is only symptomatic of poor working conditions that have accumulated over the years to the point at which major concessions will have to be made to head off widespread disruption of essential rail services. In British Columbia, one of the chief complaints is that CNR yardmen in the greater Vancouver terminal are being forced to reduce switch crews from three men to two men. This reduction is all perfectly legal since the workingmen found themselves in a position of having to sign an agreement or else go to arbitration. Since the box score for arbitration has been nine to one for the employers, there did not seem much point in opposing the arbitration. Already 13 crews have been reduced and 25 more are scheduled to be

reduced in the next 11 months. Crews have been reduced in Edmonton as well. And this at a time when the entire nation is concerned about unemployment.

I am a shareholder in the CNR in the same sense that every Canadian citizen is a shareholder. It disturbs me to hear that the CNR is reducing crews at the risk of reducing safety, that longer and longer trains are being coupled, that niggardly pensions are reluctantly granted, all in the name of productivity. Railroad engineers are deeply concerned about hazardous conditions in the Fraser canyon. They speak of the absence of ditch lights and slide fences that have not been reset for a considerable time. They tell of an engineer stuck in a snowslide for just short of 38 hours with no food and no apparent attempt to get it to him, and of another engineer on snow plow duty for over 23 hours without rest or eating facilities.

All of this, Mr. Speaker, is intended to reinforce the point that in the formulation of a national transportation policy, in the operation of a publicly-owned railroad, the prime factors to be considered should be safety and service—safety not only for the men who have got to make their living railroading, but also for the public which depends on these facilities.

The reputation of our railroads for poor treatment of its employees is shameful. The hon. member for Prince Albert has already made reference to the poor morale on our national railway. I will not dwell on the pension aspect at this time because this is a subject that has been brought up in this chamber time and time again and will continue to be brought up until a decent pension allowance is made to men who have given their lives in the service of the people of Canada. I would hope that in the negotiations now under way there will be better treatment of railway employees, because whether we are speaking of an army or an army of workers they will not be effective unless consideration is given to the important question of morale.

Related to the topic of rail transport is the proposal by Premier Barrett to utilize existing railroading trackage for the transport of oil from Alaska through the Yukon and British Columbia and by pipeline to Seattle. On the face of it, his proposal seems eminently sensible. All that would be needed in terms of railroad construction would be a relatively short extension of the Alaska railroad to connect with the B.C. railroad at Lower Post.

• (2110)

Setting aside the economic implications for the moment, one salient point emerges, namely, that this route is the most acceptable one from a "people standpoint". The transport of oil by tanker off the shores of British Columbia has met with continuous opposition from people on both sides of the border and will continue to meet with opposition. How anyone can seriously defend such a route escapes me. When we realize that 70 per cent of the earth's surface consists of ocean, and when we reflect on the disturbing trend to build larger and larger tankers—we are threatened with tankers approaching 500,000 tons in size—we must surely realize that we are ultimately faced with the problem of oceans being incapable of sustaining marine life.

Pipelines such as the proposed Mackenzie valley pipeline threaten to create similar environmental havoc and such proposals are being opposed almost as strenuously as the use of tankers. We hear reports that the people of the north will simply not allow the pipeline to be built; that they will blow it up if necessary. I have never heard any objection expressed to the transportation of oil by railroad. In fact, the concept seems to satisfy people generally as an alternative choice to both sea transport and to pipeline transport. The difficulty seems to be that the decision-makers think in economic terms mainly, while the people most affected think in terms of the effect on their surroundings, on the quality of life in Canada's future.

I do not pretend to be an expert on the transportation of oil or on the building of railways, and for this I make no apology. We all have our areas of competency. Mine lay in the teaching field. Some hon. members on my right are experts on points of order that are not points of order.

Some hon. Members: Oh, oh!

Mr. Nelson: But what interests me in this question of alternative oil routes is the reaction of the government, as expressed by the Prime Minister (Mr. Trudeau), to the proposal of Mr. Barrett. When the plan first became public, the Prime Minister did not indicate approval; the Prime Minister did not indicate disapproval of the plan, but he did manage to indicate by an enthusiastic lack of enthusiasm a completely negative approach to the plan even before details of it were known to members of the House.

I would not for a moment suggest without further study, that this plan is preferable to others, but I do suggest most strenuously that it should be given extremely serious consideration by the government and by all members of the House, as should any plan to transport oil by rail rather than by pipeline through permafrost, or by ship through our oceans. We are not concerned here solely with the economic feasibility of an oil route. We should not be concerned with political gamesmanship.

Mr. Alexander: Heavens, no!

Mr. Nelson: We should not descend to consideration of whether the reigning provincial oil route critic has been included in negotiations or not. We should be concerned mainly with the welfare of future generations and the environment in which we will live. It is this principle that should govern consideration of a national transportation policy, whether of people, goods or oil.

Some hon. Members: Hear, hear!

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, I rise as a member from a rural riding in the maritime provinces and I trust the House will bear with me if I seem to typify some of the opinions held in that area. In a rural riding we have greater distances to travel than perhaps other Canadians in order to get to various facilities. We have greater distances to ship our goods. One might well assume that in those circumstances the greater distances involved would result in cheaper transportation rates per mile for the carriage of our goods and

for the carriage of our people. Instead of having a cheaper mileage rate of such transportation, we in fact pay a higher rate. Instead of getting a break on rates we are, in a sense, kicked by them. It actually costs more per mile to ship goods in the maritime provinces than it does in the wealthier parts of Canada. In fact, it costs 50 per cent more, Mr. Speaker, to travel on the railroad in Nova Scotia than it does to travel between Montreal and Toronto. I am sure you will agree that that is not the way to remove disparities among provinces.

Rural Canada, Mr. Speaker, is a frontier. It begs to be developed. Atlantic Canada is largely rural, and it begs to be developed. Railways were originally considered an instrument of development in this country but they have defaulted in that function. British Columbia Rail, or B.C. Rail as it is called, is an instrument of development in British Columbia and it is performing a fantastic operation there. Go-go transit in Ontario is another illustration of how development can be put into effect by the railways.

Now even the province of New Brunswick is getting into the act with a scheme which I suppose will be called N.B. Rail. They are going to take over the railroad in order to help develop that province. But the fact that these several provinces are getting into the railroad business is indicative of the bankruptcy of the policy of the government which has been in power for so many years in Canada. It is indicative of the bankruptcy of policy to the extent that transportation in this country, which is supposed to be a national responsibility, is being taken over by the provinces.

I was encouraged by the announcement of the minister on December 18 that a northwest transportation plan was being considered. I hope it comes to fruition. But I would earnestly recommend to the minister that he consider not only that great frontier of northern Canada for development by means of better rail transportation, but also the frontier which is epitomized by the Atlantic provinces, a frontier which has yet to be developed. It is an area which should certainly share in the development which will one day be Canada. I express the hope that greater federal and provincial co-operation, as was envisaged in the announcement of the minister in December, can become a reality in the rest of Canada and that such a spirit of development can be applied with regard to Nova Scotia.

Not only should the theory of development be applied in the case of railways, Mr. Speaker; it should also be applied with regard to ferry services. Ferry services are a problem very close to the hearts of those in western Nova Scotia whom I represent. What is the history of the ferry service in western Nova Scotia? It is evidence of the typical lack of concern which has been shown by federal authorities for transportation in that area. We do have two Canadian ferries running across the Bay of Fundy, one of which is owned by the CPR and has, thank goodness, been upgraded in the past few years and provides a fairly efficient service, albeit at a little more expense than the local people feel should be necessary if industry is to be encouraged in the area. However, I am not going to dwell on that ferry. I want to mention in some detail the ferry which runs between Yarmouth and Bar Harbour. That ferry, the *Bluenose* is now 17 years old. It was built at a time when trucks were a good deal shorter and when trains were a good deal longer. It was built to accommodate traffic of the 1950s and it is no longer adequate to accommodate the traffic of the 1970s.

According to a report appearing in our provincial daily on January 24, senior officials of the Department of Transport, senior officials of the CNR and senior officials of the provincial government were to meet to discuss the possible replacement of that ferry. That news report indicated that the provincial officials expected that after the meeting they would have some concrete answers in approximately two weeks. Well, that was some six weeks ago now and there has been no answer. Although I have diligently sought information from the department in the meantime, I have not been able to ascertain what the future holds in store for this ferry. The only answer I have been able to get is that perhaps a survey will be undertaken.

• (2120)

May I remind the minister, who was not in his present portfolio a few years ago, that in 1967-68 a competent firm, A. D. Margison and Associates, did a study in depth of the type of vessel that ought to be used on that service from the point of view of potential traffic. I suggest it would take only a very short time to update that study and to design the type of ferry that is necessary. In addition, one factor that Margison did not get any input on in their study is that a couple of foreign ferries are plying the waters between Yarmouth and the New England shore. One of them has been operating for a couple of years with very great success, and I suggest a lesson is to be learned from the success of that operation. It is most regrettable that Canadian entrepreneurs or the Canadian government did not have sufficient fortitude to place a vessel on that service long before it became necessary for the traffic to be taken up by a foreign owner.

I have been speaking of the necessity of transportation development and I now want to say a word about industry in the maritime provinces and particularly in my area. I represent an area which is largely a small business area. Very few of these businesses are able to grow into big businesses in the terms we think of big businesses in central Canada. You may ask Mr. Speaker, why that is. Why is it that living standards and incomes in our area tend to be lower than they are in other areas of Canada? Why is it that our successful businesses fail to grow into big businesses? Is it because we are less intelligent as a people than Upper Canadians? Enough maritimers have left their mark on Canadian universities to refute that idea. Are we less ambitious than Upper Canadians? Enough maritimers have achieved success in business in Upper Canada to refute that suggestion. Are we less in tune with the flow of events than Upper Canadians, or are we less shrewd? The Maritimes has produced more prime ministers and perhaps more ministers of finance than any other area in Canada, which I suggest refutes that argument.

So why is it, Mr. Speaker, that we appear to be a little backward? Why is it that even in the cradle of confederation itself the structures of this country are questioned? I suggest to you that, more than any other reason, the answer simply is: transportation. What does it do to us?

What does it do to the small businessman in my constituency? I can give the House some hint. If anybody in my constituency wants to go into the canning business, it will cost him at least two cents more per can to get his products on the shelves of stores owing to the cost of transportation of his cans.

Let me take another example, the fruit business. It cost about $1 per case to get apples to the major markets of Canada, which is enough to wipe out all the profit that is possible, and then some. Potatoes, apples, processed fruits and vegetables, fish products all face that same high tariff; I suggest it cannot be described as anything else. Transportation costs constitute a tariff on our goods entering the great Canadian market.

The Minister of Transport (Mr. Marchand), who is only just getting adjusted to his new portfolio, and very enthusiastically according to his parliamentary secretary, has a great opportunity in his present position to remove a great deal of the disparity in transportation costs in Canada. He has the benefit of his experience gained with DREE in his previous portfolio and he must know the difficulty of attempting to get industry to locate in the maritime provinces, in the west, in eastern Quebec, even in parts of Ontario, largely because of transportation costs. The experience that this minister has derived from DREE, coupled with his new knowledge and enthusiasm in regard to transportation matters, can serve the government in good stead if he will formulate a transportation policy that will assist in solving, rather than perpetuating, the disparities that exist between the have and the have-not regions of this country.

Hon. members may say of the transportation difficulties in the Maritimes, "Ah ha, but you have the advantage in regard to export markets; you do not have to send your products to central Canada". But even here the transportation policies of the major companies play tricks on you. It costs more to send a containerload of apples from Kentville, in the Annapolis valley, to Europe than it does from Hamilton, Ontario. Similarly, it costs more to ship grain from Saskatchewan to Nova Scotia than it does to ship it from Saskatchewan to northern Europe. In those circumstances it is very difficult indeed for the people in our area to compete effectively.

We have a misconception about transportation facilities in Canada, and indeed in North America. We take the approach that transportation facilities should be profit-making enterprises. Why is this so? After all, we do not believe that the streets in our cities should make a profit; these are a necessary part of infrastructure, a necessary means of commerce. We do not believe that our highways should make a profit, even though there are substantial licensing fees, gas taxes, and so on. So why is it that in North America transportation facilities, which are vital in binding the country together and in enabling people in one area to compete effectively with people in another area, should be required to show a profit?

I suggest it is high time that this House and the government recognized that the Canadian transportation system, particularly the railways, is not and should not be thought of as a profit making endeavour only, or even primarily. The primary purpose of railways in Canada is that which was conceived in 1867 by Sir John A. Macdonald and the Fathers of Confederation: the railways are an instrument of development. They should be an instrument of unity, an instrument to remove regional disparities in Canada.

Mr. Paul E. McRae (Fort William): Mr. Speaker, while other industries in this country show really aggressive approaches, in my opinion the railroads are very, very backward. Situated as I am in mid-Canada, in the area of Thunder Bay, one of Canada's largest harbours, a harbour that on a monthly basis when it is open carries the greatest tonnage of any harbour in Canada—

An hon. Member: Is this your maiden speech?

Mr. McRae: The same speech, and the same railroads too. Situated in the middle of this country, I see the role of the railroads as linking one part of the country with the other part. Yet I see a railroad system that is very weak and unaggressive, one that does not take opportunities when opportunities come along. In many ways the two railroads of this country do not want to run a railroad. I mention their approach to the provision of passenger service as an example. In my area recently 22 operators and other workers were laid off by the Canadian Pacific Railway.

• (2130)

So-called service centres have now been established in most of the places along the route, but they are a disgrace if the one that we found in the old city of Port Arthur is anything to go by, with plaster hanging off the ceiling, and so on. Because the agencies are no longer there, the service falls off and people are not able to buy tickets at the station. A sign on the door tells them to get their ticket at a travel agency. A year or two from now, Mr. Speaker, the CPR will come back to the public asking for larger subsidies because they are losing money, and it is because of the kind of non-aggressive approach that they are taking now.

Where were the railways when the issue of the Pickering airport first arose? Did they present a ground alternative; did they propose rapid ground transportation? No, they were not to be seen. Last week the Premier of British Columbia introduced the idea of a railroad alternative to the Mackenzie valley pipeline. At about the same time I was speaking in the committee on Indian affairs and northern development about the same kind of matter, only I was speaking of a rail pipeline along the east side of the Rockies.

A group working at Queen's University, called the Canadian Institute of Guided Ground Transport, has made some studies on this approach. They suggested that a railroad is a viable alternative to this particular pipeline. The difficulty with the pipeline is that it requires that the oil carried be heated to 150 degrees to 180 degrees in order to move in the Arctic, and therefore a pipeline cannot safely be burried in the ground because it would melt the permafrost.

This group at Quenn's University was lightly funded by the government and given some meagre support by the CNR and other groups. It maintains that 20 trains can move the same amount of oil per day as a 48-inch pipeline, that is, two million barrels. It is commonly accepted today

that the pipeline route would cost $5.3 billion. A railroad, on the other hand, could be built for about $2.5 billion, according to this study. The operating cost for the pipeline, including amortization of the $5.3 billion at roughly 8 per cent, would amount to $425 million per year. It is estimated that the operating cost of the railroad would be in the neighbourhood of $400 million per year—it would be higher except for the saving in the amortization cost.

This group has indicated several advantages of the railroad. The first is that the railroad is expandable. Their figures are based on a two-track system and they maintain that a one-track system would carry the 20 trains a day. Secondly, the railroad could carry liquefied gas, minerals, etc., as well as oil. Thirdly, the railroad could go both ways, taking people and goods in both directions. And fourthly, the railroad would employ more people on an annual basis: 4800 is the figure used in the study. Another factor which must be considered, if these figures are correct, is the lower investment which of course could have some meaning in the long-term relative to our monetary position with the United States.

Mr. Speaker, I bring up three points to show that the railroads are not aggressive. First, the passenger service which is deteriorating; second, the failure to look at fast ground transportation; third, the failure of the railroads to take a stand and do something about the Mackenzie valley pipeline alternative. The figures that were given at the committee the other night would seem to indicate that the amount of money spent on the Mackenzie valley pipeline study was in the neighbourhood of $40 million and the amount spent on the railroad study was a paltry $80,000. Something has to be done, Mr. Speaker, and the government can help by putting more money into this suggested alternative. However, the railroads in this country must take a stronger position, become more responsive to the needs of the modern Canadian community and develop a far more aggressive stance to problems of the future.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, it is appropriate that I should make my maiden speech in the House of Commons on this particular subject.

Some hon. Members: Hear, hear!

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): This is a matter which affects the quality of life of all Canadians, particularly those of us who live in rural Canada. It is an honour to have the opportunity to speak tonight in support of the argument made by the right hon. member for Prince Albert (Mr. Diefenbaker) earlier today, who was so very kind in welcoming me to this House at the beginning of the session. The right hon. gentleman was born in my constituency, and the problems of transportation which he outlined today continue to plague it. It is also appropriate that I should speak on transportation tonight because my predecessor, Mr. Marvin Howe, was in the forefront of the fight to maintain decent train service for my part of the country. Canadians throughout the country are indebted to him for his service in this House, and I am aware that I have very big shoes to fill.

It was with a great deal of joy that I listened to the parliamentary secretary to the Minister of Transport (Mr. Guay) this afternoon when he was eulogizing the minister, discussing the fine job he had done and pointing out how fortunate we are and how good it is of the minister not to answer our questions in the House and not to make definitive statements of policy. He held the minister up for fine praise, Mr. Speaker. Considering the number of ex-Liberal backbenchers we see around here now in various positions, I am wondering whether the parliamentary secretary is trying out for a job as head of public relations in the minister's department. The only reservation I would have to casting him in that role is that in the next government it will not be members on the other side who are being appointed.

Some hon. Members: Hear, hear!

• (2140)

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, perhaps I should deal briefly with the history of the problem in southwestern Ontario. On October 1, 1970, there was a decision referred to by Southam News Service as "the land mark decision". The Canadian Transport Commission allowed the discontinuation of railway passenger service on 400 miles of track in southwestern Ontario, involving six train lines. The decision followed extensive public hearings held in Owen Sound and Guelph at which more than 70 people presented briefs. Included among these were federal and provincial members of parliament and representatives of municipal councils.

With us tonight, Mr. Speaker, we have the reeve of Elora. Either he or his representative made recommendations at that hearing. There were representatives of other public groups and private individuals who were concerned about this matter. There were representatives from councils for the province of Ontario and from a number of other provinces. Without exception, every brief presented at these hearings, except for the briefs of the railway companies, were in opposition to the discontinuance of those railway lines.

Nevertheless, the Canadian Transport Commission ruled, setting a precedent, that these lines could be allowed to be discontinued. On April 6, 1971, my predecessor, Mr. Howe, moved a motion to the effect that the Commons committee on transport and communications hold public hearings in the affected areas of southwestern Ontario. This motion was passed by the committee despite the fact that the Liberals on the committee, with the exception of the hon. member for London, voted to block the hearings taking place. Hearings were held late last spring in southwestern Ontario, at several centres. There were 55 briefs presented and 68 witnesses heard. I should like to read briefly the recommendation of the Standing Committee on Transport and Communications:

> Therefore your committee recommends that all rail passenger services which were discontinued on November 1, 1970, should be re-established immediately and a moratorium should be placed on all pending passenger train discontinuance applications in Canada, until the study referred to hereafter is completed, as recommended in many briefs and particularly in that brief presented by the government of the province of Ontario.

Beyond that, it recommends that immediately a tri-level study be undertaken to discuss the totality of the problem in Canada to make sure that proper service is provided

for all Canadians. That was a committee dominated by the Liberal party. It had a Liberal majority; it had a Liberal chairman and a Liberal co-chairman. The report of the committee came in. It was presented to the government. The government has refused to act on it since that time.

In reply to questions in respect of this service, the Minister of Transport (Mr. Marchand) has adamantly refused to do anything until he has had consultations with the government of the province of Ontario, despite the fact that the federal government has sole responsibility for passenger services in this country, and despite the fact that the province of Ontario is on record on two occasions, before the Canadian Transport Commission and also before the Standing Committee on Transport and Communications, as favouring the immediate reinstatement of these railway services.

The minister referred, in supporting his case, to what he erroneously called the Soberland report, which was a study commissioned by the CTC and carried out by Dr. Soberman, on commuter rail services for metropolitan Toronto. The minister seems to feel that nothing could be done in respect of acceptance or rejection of this report until such time as he spoke to the province of Ontario regarding these rail services which are commuter services around Toronto.

This has absolutely nothing to do with the problem of discontinuance of service on those six rail lines in Ontario. If the minister had done his homework, he would be aware of this. The delay is unconscionable. The government knew it had a majority on the committee. Government members supported the report as well as our members. All the local representatives, the local members of parliament, the local members of the provincial parliament who were present, the members of citizens' groups and the members of local municipalities who spoke, were in support of the reinstatement of this service. There is no question about it. There is nothing to study before the minister brings back the service. We need action on this right now.

Today we were asked by members on the other side to be constructive in our criticism. They felt that perhaps we had not been constructive. I say my constructive criticism is that if they seriously want to improve the rail service, they could get to work and accept the report of the Standing Committee on Transport and Communications. I can promise hon. members opposite that if the government refuses to act, a progressive Conservative government will get those trains moving again.

Let me speak briefly about the question of whether the railways have attempted in good faith to provide adequate service for the people of southwestern Ontario. I think one newspaper article from the London *Free Press* of Saturday January 5, 1973, illustrates very well the sort of service they have been providing. It goes like this:

> Like most three-year-old boys, Teddy Evans of London loves trains.
>
> So, on Nov. 17, his mother, Mrs. Edward R. (Donna) Evans of 52 Wellesley Cres., took him for his first train ride.
>
> It wasn't exactly the kind of ride Mrs. Evans was expecting.
>
> They boarded a Canadian National Railways train in London for Toronto where they were to meet Mr. Evans. She and her son ended up in the baggage car with about 30 other passengers because the regular coaches were filled.
>
> They had to sit on suitcases in the dimly-lit rough car amid baggage and other freight.
>
> Mrs. Evans and some other passengers were startled when a body in a casket was put into the baggage car at Brantford.
>
> "When they put the corpse on, that was a bit much," Mrs. Evans said.
>
> The only window was in the door. It was "very dark and not meant for people to travel on," she said.
>
> "CN didn't even apologize for putting the passengers in the baggage car," Mrs. Evans said.
>
> "The conductor made a joke about it. He said "it's not everyone who can ride in the baggage car". The woman said: "What really bugged me was a newspaper article saying that train service is adequate but there aren't enough people to ride the trains."
>
> Mrs. Evans said it was the first time she had travelled in a baggage car, and "I hope it's the last time."
>
> Her son, Teddy, enjoyed the ride because it was his first time on a train, Mrs. Evans said.
>
> "He was kind of upset because he couldn't see out."

The reporter was unable to get a comment from the passenger riding in the casket. Mr. Speaker, I can deal briefly with the CTC. The CTC asks whether uneconomic lines should be allowed to continue. This is how they define it:

> To include such considerations as the cost of alternative modes of transportation as determinants of "uneconomic" would raise the possibility that highly unprofitable lines could be designated "economic" and therefore ineligible for subisdy only because alternative transportation is either unavailable or more costly. Such a result would be contrary to the national transportation policy—

I was interested to read, also, a quotation from the words of the Minister of Transport when he was president of the Confederation of National Trade Unions in 1961. He said that a transportation policy is closely tied to economic planning, and as such must be linked to the common good and not to the profitability of private enterprise. I hope he continues to think along those lines and gives us some action on this particular situation.

Surely, when the CTC makes these decisions it should take into consideration the cost of pollution in respect of driving people off the trains and into private automobiles, the rights of senior citizens and the rights of people who do not drive, the cost of alternative transportation which must be provided by the provinces, and the effect, most importantly, upon the development of the small communities of rural Canada which count upon decent transportation for their health.

Mr. Speaker, this government has shown a concern for the problems of regional disparity. I am asking tonight that it indicate that it is also concerned about rural Canadians in Ontario. A decent system of transportation is the right of all Canadians. The government could act tonight, show it has good faith and that it respects that right of all citizens in Canada to have the quality of life which they deserve.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am pleased that this discussion has taken place. I am pleased, also that the Conservative party, particularly the last speaker, has indicated that it would make transportation work. When we speak of transportation we usually speak of railways. That is what the hon. member was speaking of. If it is to work, obviously some members of the Conser-

vative Party are of the opinion that we must renationalize the Canadian National and the Canadian Pacific, because there does not appear to be any other way in which we will get any action on the problem.

The hon. member did not mention that among our studies there are studies which have been done in other areas. We find in northern Ontario also that the Canadian Transport Commission has failed to provide an alternative to subsidy, and we find in the mid-Canada passenger train service that $10 million has been authorized to allow the companies to operate at a loss. Under the policy of the Canadian Transport Commission the railways are subsidized to the tune of 80 per cent. The railways immediately took most of their passenger lines, placed them in an uneconomical position and then asked the government to subsidize them.

The Russians, when they came to Canada on a number of occasions with committees of parliamentarians, indicated that they thought what we were developing better than anyone else was our transportation system. That is high praise, coming from people from a country which can put a Sputnik into space, travel around the moon and land on the moon. They can look at the Canadian transportation facilities and call them good. Obviously, we in this country have created a Canadian Transport Commission which is like the Senate and, like the Senate, I am prepared to abolish it now or at any other time.

• (2150)

We have retired Mr. Pickersgill so he can write his memoirs. I am surprised that with the facilities he had at the CTC he did not write those memoirs while he was the commissioner. Obviously, he did not. Now we have appointed Mr. Benson, a former minister of this government. I thought he would be there for a while, in as ineffective a position as was Mr. Pickersgill, because if I remember correctly Mr. Pickersgill had a certain facility, if nothing else, and a certain versatility of mind which enabled him to solve the machinations of Canadian National Railways and Canadian Pacific Railway when he set his mind to it. I was surprised to hear that Mr. Benson is thinking of retiring.

Obviously, the hon. member for St. Boniface (Mr. Guay) is waiting for a call to that place, as was made evident in the eulogy he delivered to his minister. The Minister of Transport (Mr. Marchand) must have been embarrassed on a number of occasions in the House, but I think it is safe to say he was embarrassed today and I feel sorry for anyone who has to take that kind of praise while he is still among the living, or certainly in an active position. Obviously, the minister will not be able to live up to the eulogy and for that reason I feel sorry for him.

Some suggestions have been made today, but I think most of them hinge on whether or not the government really wants to improve transportation in Canada. We have a facility which in my opinion can be modernized and made fit for the twentieth century. At present we are operating with broken down equipment, we are operating a major grain trade with cars which the government had to buy and then lend to the railway. I was interested to hear the prairie representative of the Liberal party trying to justify his relationship to the grain trade. He told us that the government will offer a two-price system, one to the people who will accept the big elevators and hopper cars and the other to the other segment of the industry if they do not take advantage of his suggestions.

The whole industry is archaic. Railway transportation in Canada should not be archaic. Transportation by rail is surely the most efficient way of moving many of our basic commodities in this country. You cannot move them under a horse and buggy railroad system, yet that is the kind of system under which we operate. The prairie minister also mentioned that we cannot get rid of the debt of the CNR. Does he not realize that one cannot operate a national railway efficiently if there is a debt on that railway which has existed from the day it was started? We have done nothing since then but pay interest on that debt.

Surely he can see in that situation the same kind of burden as we have when we go to war. We now have a war to develop a transportation facility in this country that will be efficient. If that is so, surely we can add that debt to the rest of the national debt and allow the railway to operate without it. We should look at the tariff structure of the CNR and take away from the CPR that gravy train which they have had for so long at the expense of the Canadian people. If this minister wants to do nothing else, he can make some decision about what we are going to do with the debt of the CNR. Even if he does nothing else, he will have done something for transportation facilities in this country.

It is my opinion, and I think the opinion of many people—certainly one of the last speakers on the Liberal benches indicated that he had done some thinking about rail transportation into the high Arctic, both the east and west regions of the Arctic—that transportation by railway will have a role to play in the north. I agree with my colleague who said that we must be a bunch of idiots to spend the amount of money we are spending on STOL aircraft so that we can fly passengers from Ottawa to Montreal. The ground transportation facility that we have takes twice as long as the flight by air. It seems to me that unless you want to go for a ride, which you can do by going to any private airfield and paying five bucks for which they will take you up for a little look around, there is much better transportation by rail. This minister had better take a look at it, because if he does not I am afraid the Conservatives will not either.

However, I am also concerned that one of these days the Canadian public will take a look at this situation and will tell this government to supply that kind of transportation at a cost which they can pay. They will tell them to get rid of many of the problems which we are facing today in transportation. I suggest that one of the first things we should do is to take back the responsibility which parliament has for the national transportation policy of this nation, to take it away from the new Senate we have created, cease the political appointments that are made to that retirement body and again operate from this House a transportation policy for this nation and find solutions to some of our problems.

This is a very important motion. I think the Conservatives should be given credit for having stolen it from some of my colleagues, I am told, and also for at least bringing

it forth because it is by far the best motion they have brought forth for some time. I think it would be profitable for the government to consider it and to do something about it.

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order. It being ten o'clock, it is my duty to inform the House that under Standing Order 58(11) proceedings on the motion are now completed.

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

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

SHIPBUILDING—EXTENSION OF SUBSIDIES BEYOND MARCH 31

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I would like to thank hon. members for giving me a hand, but I hope they do not feel they have to stay because I see here the parliamentary secretary to the Minister of Industry, Trade and Commerce (Mr. Breau) who comes from New Brunswick and I know I shall get a very good hearing.

• (2200)

On March 12 I asked a question of the minister with respect to the shipbuilding subsidy program which runs out on March 31. I asked whether in view of the new planned oil refineries in the east the minister would give consideration to an extension of the shipbuilding subsidy beyond that date. The minister gave a reply that was thought to be optimistic. I am not trying to crowd in on the credit, if there is going to be an extension, but I want to put one or two facts on the record about this subsidy.

There is an interesting history to aid to shipbuilding in our country. It has been an ad hoc type of assistance throughout the years. It started in 1947, in the post-World War II period when the Canadian Maritime Commission was set up. As its major responsibility it had the development of a merchant marine and of a shipbuilding and ship repair industry commensurate with Canadian needs. As everyone knows, this move was not very successful.

In 1949, the Canadian Vessel Construction Assistance Act was passed. This provided a fast write-off for owners of ships built in Canada and it had a reasonable amount of success. Then in 1964 the Canada Shipping Act was amended, and hon. members know some of the results of that. It did bring a few vessels under Canadian registration. In 1970 we had the shipbuilding temporary assistance program called STAP. It was brought in by the former minister and it has been reasonably successful. For example, the shipbuilding yard in Saint John, in which I am particularly interested, was able to obtain an order for three 30,000-ton tankers for export, which even though they are now of foreign country registration are being used on our east coast. This was quite profitable in terms of employment and enabled the yard to finish ahead in business. The subsidy was 17 per cent. In fact, Mr. Speaker, I should call it assistance rather than a subsidy. As I say it was 17 per cent, with a graduated downward formula.

The significant thing is that there has been a delay in the announcement of this program, and shipyards like to make their plans ahead of time. As I understand it, the international situation is still ripe for orders. The Canadian shipyards are well geared for work. They are reasonably efficient and they could fill some international orders. The companies, and the Shipbuilding and Ship Repairing Association, met with the minister and were given reason for some optimism. They are now asking for 20 per cent assistance on this occasion and they feel that the present is the proper time to make the move. The shipbuilding industry has not levelled off. It is on the downgrade since completing previous orders. Assistance given now would enable the shipyards to plan for the future, to keep up the different trades and it would also provide a future both for domestic and export orders.

I see that the Parliamentary Secretary to the Minister of Industry, Trade and Commerce is in the chamber, and I know he will be optimistic in his response. I hope he will take this chance to say that the government is really behind the industry for the first time in many years. The previous minister did make some moves and I gave him credit at the time. I know that the new minister is looking for opportunities such as this to help restore his tarnished image with respect to the auto pact.

This is an opportunity for the government to indicate that it is going to do something about an industry that is very important to us in the maritime provinces from an employment standpoint. I know the parliamentary secretary is going to create optimism about this matter. He is almost going to say that it will be acceptable. I hope he will go for the 20 per cent, really be enthusiastic and help his minister by giving us confidence for the future of this industry.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, it is a pleasure for me to answer my hon. friend for Saint John-Lancaster (Mr. Bell). I hope that I will not let him down. I am happy to see that he supports the Shipbuilding Temporary Assistance Program. It is a very good program, brought about, as he says, by a Liberal government.

He talked about the auto pact; I should like to assure him that, like the auto pact, STAP has been successful, even more successful in relative terms. As a matter of fact, it has helped in the export of ships from Canada to the order of $274 million. This represents 24 ships which have been built in several shipyards. I should mention that these ships are built in shipyards mainly in regions that need growth and employment, such as Sorel, Lauzon, Saint John and Halifax. We think it has been a very successful program. It has helped shipyards to modernize their facilities. It has helped them to become aware of export opportunities and to become competent from the marketing point of view. We think this will be good for the future.

The hon. member has mentioned that the shipbuilding industry is concerned. We agree, and I hope that the government will deal expeditiously with this question because of that concern. As the hon. member knows, the date for application for assistance is March 31. The delivery date is October 31, 1975, which means that the shipbuilding industry can apply before March 31. I agree that we need a response, but there is no urgency because they have applied. They have made plans and will have work with respect to all the applications made before March 31, 1973.

I agree with the hon. member that it is a good program. There is no way that we can cut him down, because he promised this in his campaign and we are so happy to see that in his campaign he talked about good Liberal things. That is how he came to be elected so easily. We will try to continue that, Mr. Speaker.

PORTS—CHURCHILL—ACTION TO ACHIEVE GREATER UTILIZATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I see the parliamentary secretary is present and willing to give a positive response to my question tonight regarding greater utilization of the port of Churchill. I first asked on January 11 whether the government was to utilize further the port of Churchill and the minister at that time said in essence that he was studying the proposition. A couple of weeks later I asked the question again and the minister again said that he was studying the proposition. I think that has been the answer of ministers for the last 10, 20 or 30 years on the question of the utilization of the port of Churchill which is so important to us in western Canada.

We in the west have for long said that we have been discriminated against in many ways, basically because of the transport system and the freight rate structure in our country. One of the deals made when western Canada came into confederation was that we would supply the eastern industrial market with a cheap source of raw materials and that these would be the source of finished, manufactured goods which would come from eastern Canada. As a result, today in the west we find that there is still a great deal of unfairness in the freight rate structure, inasmuch as it is more expensive to ship a product from western Canada to the east than from eastern Canada to the west. I suggest, Mr. Speaker, that if we were to better utilize the port of Churchill we could perhaps equalize some of the unfairness that exists in transportation systems that affect western Canadians. I believe that the port should be utilized much more than it is today.

Consider the city of Yorkton, from which I come. There is a plant there which builds houses. They ship these prefabricated houses to within 200 miles of the port of Churchill, which may mean that they send them 700, 800 or 900 miles from the city of Yorkton. But they do not ship the houses to Churchill by rail and put them on a barge. Instead, they ship them to Montreal, put them on a boat, take them down the St. Lawrence Seaway, around by Newfoundland and through Hudson Bay to their destination which is only a few hundred miles from the port of Churchill. I am told it is about four or five times as far as it would be if they were to ship these prefabricated homes from Yorkton to the port of Churchill and by barge to the destination, whether it is Rankin Inlet or Hudson Bay.

• (2210)

Why do they ship them that way when it is four or five times longer? It is for a simple reason. They do not have the facilities to handle prefabricated homes at the port of Churchill. They do not have any barges. In fact, they carry the prefabricated homes from the port of Churchill to the Indian or Eskimo settlements at Hudson Bay. That points out how stupid our transportation facilities are regarding the port of Churchill, and why the government must stop studying and start acting in order to build needed facilities at the port. There should be worthwhile facilities so that we in western Canada have the inland seaport we deserve.

The provinces of Manitoba and Saskatchewan are putting pressure on the federal government to act. Last summer there was a study by the premiers of those two provinces. They have now formed a group called the Port of Churchill Board to put pressure on the federal government and other powers that be. The port is closer to Europe, in terms of shipping our grain, by 1,100 miles than if we ship our grain through the Great Lakes, through Montreal and on to Europe. It is about 1,100 miles shorter than going down the St. Lawrence Seaway. I am told that for the farmer this would mean 10 cents to 16 cents a bushel that he would save on his wheat if it were shipped through the port of Churchill, but is not being done in significant volume today.

In 1944, about three million bushels of grain were shipped through the port of Churchill. In 1972, only 25 million bushels of grain were shipped through the port of Churchill, despite the fact we have the technology available that could improve the port at this time. I am told that this year only about half as much grain will be shipped through that port as there was in 1972. I suggest it is time for action to improve the port.

I want to make one more point. The Hudson Bay Route Association has made many splendid recommendations over the years about this port. I think it should be commended for some of the work it has been done in drawing public attention to the reasons why we should increase the facilities there. I wish to read some of the recommendations they made in a letter they sent out in January 1973. They say that some of the following must be done:

1. Deepening of the harbour next to the wharf
2. Deepening of the "turn-around" basin
3. Grain galleries to be lengthened and modernized to suit the larger grain vessels now using the port.
4. More grain storage is needed
5. More import-export storage needed
6. Lengthening of the shipping season
7. Competitive marine insurance rates for entire season
8. Realistic railway rates comparable on a mileage basis with other lines

The next point is important:

9. An all-weather highway from the prairies to Churchill.
10. A concerted effort by all three provincial governments for more trade.

I think that outlines the reasons why we must put more federal money into that port. We must stop talking and start acting right now.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I first wish to congratulate the hon. member for Yorkton-Melville (Mr. Nystrom) on the very good presentation he has made tonight. I believe that what he said pertaining to the port of Churchill and the importance thereof is certainly true. I agree with him.

We have been most interested in the possible future development of the port of Churchill. The National Harbours Board will soon be submitting an economic study on the future of the port of Churchill to the Minister of Transport (Mr. Marchand). After reviewing this study, it is expected the government will be in a position around mid-April to state whether it is practical to take any action with respect to further port development in the area.

[*Translation*]

BILINGUALISM—PILOT PROJECT TO TEACHING FRENCH IN THE NATIONAL CAPITAL AREA—TEACHING OF ENGLISH IN FRENCH-SPEAKING SCHOOLS

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, I would like to make a few comments about the announcement made last March 16 concerning the encouragement extended to the teaching of the second language in the schools of the Ottawa area, which provide $2 million for that purpose. As that assistance is so important, it certainly will be welcome in the area.

I would like to make some comments on that subject. First, I will say that if Canada is to remain or become bilingual, we must maintain in each province representatives of both official languages so that the two elements of bilingualism always be present in all provinces in Canada.

However, in the provinces where the French-speaking people are in minority, bilingualism will be in jeopardy if they can no longer develop fully in the French language and culture or if, because of difficulties or apathy, they decide to join the English-speaking majority.

All efforts made by the federal government will be of little use if we cannot maintain in all provinces a strong, lively, and dynamic French-speaking group which would lead the way and make a place for itself under the sun thanks to all sorts of provincial and public institutions designed to promote and encourage the French culture.

Without an official structure, without bilingualism or even French-speaking unilingualism in each Canadian province, the amounts provided by the federal government for promoting bilingualism could not stop the tide of English-speaking unilingualism.

The French-speaking people living outside Quebec are responsible for the success or the failure of bilingualism programs established by federal government in each Canadian province, and naturally I exclude the province of Quebec.

Those efforts towards the establishment of bilingualism, Francophones have made them since our country was founded, but under present circumstances, the francophone minority can no longer oppose single-handed the anglophone giant of unilingualism. They must be given specific and efficient help if they are to continue living and fulfilling themselves in French.

The $300 million federal assistance program which is to run over a five-year period must first encourage teaching of the second language, which is French in mostly anglophone provinces and English in Quebec. Secondly, provinces are to be encouraged to maintain an educational system for minorities.

This is a very worthwhile program and if I had the figures—which unfortunately I have not—showing how this money has been spent by the provinces, I might feel easier to express my views.

According to my information, the province of Ontario would have received $14 million last year under this program. Five million dollars were to be spent for teaching the second language and $9 million for the francophone minorities.

On Friday last, the minister announced another grant of $2 million for the national capital area, which is an increase of 40 per cent. I rejoice at the federal government supporting the teaching of French to the English-speaking, especially since it subsidizes that teaching through an experimental program. But the French-speaking minorities have needs that would also benefit from similar programs, even if those minorities must do it by way of an experimental program.

May I mention certain education fields which are in need. For the Francophones who form a minority, there should be first of all a French school. And I recall that from 1955 to 1967 the federal government thought that the magic solution to the unemployment problem was partially in technical education, and justly so. Now, that same federal government did not hesitate to earmark millions of dollars in grants for building composite schools with technical departments.

If in 1973 the federal government feels bilingualism is important, should it not stimulate provinces by granting them subventions for the purpose of creating homogeneous French schools?

Federal grants for the teaching of the second language should be paid out with no ceilings, that is over and above the basic budget. Part of the federal government grants for bilingualism could remain in provincial treasuries for the preparation of manuals and teaching aids, the development of programs, etc. I have in mind audio-visual systems, for instance. Without a concentrated effort at provincial and federal levels, such teaching aids can never be obtained from regional school boards, which are often in a minority situation.

Mr. Speaker, I could discuss experimental programs within the framework of which relatively small grants could encourage francophone teachers to write French school manuals for our minorities. None of the provinces where there are now minorities are able to interest publishers in bringing out such manuals, because of the limited quantities involved.

Federalism could bring about a synthesis of the requirements of Ontario, Manitoba and New Brunswick for school manuals and audio-visual equipment. It is just a

matter of regrouping the urgent needs of several minorities on a national basis. The federal government is carrying out experiments in the linguistic field and I agree with that, but I would agree even more if the government also launched a pilot program of assistance in the preparation and publication of school manuals and also in the production and distribution of French-language audio-visual teaching aids.

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, one of the foremost principles that the Secretary of State Department is proud to uphold and defend, and one to which I wholeheartedly subscribe, is the learning of a second language in provincial education.

Within the framework of the policy we have announced, which serves the aims of the bilingualism that we wish to foster and to spread, the Secretary of State Department announced a few days ago that it had signed an agreement with the government of Ontario, allowing for a supplementary budget for the teaching of French as a second language. If we wish bilingualism to win respect, it is only fitting, in my opinion, that the national capital should be a prime example. I believe my colleague, the member for Ottawa East (Mr. Gauthier), acknowledges that our English-Canadian friends do not have the opportunity to learn French as they would wish, and it is for the Secretary of State to allocate supplementary funds for this purpose.

I should add that the Secretary of State Department has announced, through the minister, that it is prepared to further a project of similar proportions in Quebec, if the Quebec authorities should request this.

The question that my hon. friend has raised is, as he himself said, first and foremost a provincial one, since the Constitution lays down that the teaching of the first language, English in the case of Ontario, comes under provincial jurisdiction, and I am sure it is able to assume its responsibilities.

I should like to remind my hon. friend that this is a pilot project, which will no doubt lead to the development of new techniques that may help solve the problem he has raised.

I shall end my remarks by saying that the policy of the Secretary of State Department also provides for encouragement to minorities in the form of subsidies; my hon. friend is well aware that the Franco-Ontarions benefit from these advantages, and will continue to do so in future. It seems to me that, as a member of Parliament, my friend is eminently qualified to understand that the Secretary of State Department, through the minister, has a very open mind on the problems he has raised, and that we mean to pull together to try and solve them, at the same time enabling bilingualism to fulfil its true role throughout Canada.

Motion agreed to and the House adjourned at 10:26 p.m.

HOUSE OF COMMONS

Wednesday, March 21, 1973

The House met at 2 p.m.

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF 1973 EASTER SEAL "TIMMY"

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I should like to call the attention of hon. members to the presence in your gallery of a young man from Saskatoon, Danny Musgrove, who is this year's National Easter Seal "Timmy" and a real inspiration to the children he represents. He is, I think, the first national "Timmy" from outside Ontario. Despite a couple of artificial limbs he plays goal and defence. He is able to manage the trombone as he did on the Tommy Banks show a week or so ago, and just last week when the Silver Broom championship curling tournament was being opened in Saskatoon he teamed up in an important way with the Governor General. He held the broom and the Governor General threw the stone which landed on the button. He is accompanying the Prime Minister later today to London, Ontario. I thought I should bring the presence of Danny Musgrove to the attention of the House.

Some hon. Members: Hear, hear.

[*Translation*]

ROUTINE PROCEEDINGS

MISCELLANEOUS ESTIMATES

Second report of Standing Committee on Miscellaneous Estimates—Mr. Leblanc (Laurier).

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

* * *

[*English*]

BUSINESS OF THE HOUSE

TABLING OF FIRST REPORT OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the first report of the Clerk of Petitions.

PENITENTIARIES

MILLHAVEN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, in view of the escape record at Millhaven Penitentiary, 16 inmates from the minimum security institution, five of whom are still at large, and 20 from the alleged maximum security institution, in view of the current sit-down strike at Millhaven, and in view of the concern expressed by a spokesman for penitentiary guards with regard to the rehabilitation program at the institution, I ask leave of the House to move, seconded by the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack):

That the Standing Committee on Justice and Legal Affairs be directed to study security and rehabilitation policies and personnel at Millhaven Penitentiary.

Mr. Speaker: The motion proposed by the hon. member is put forward under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

HOUSE OF COMMONS

IDENTIFICATION OF MEMBERS OPPOSING STANDING ORDER 43 MOTIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, under Standing Order 43, I rise to request the unanimous consent of the House to propose a motion on an important and urgent matter.

Since it is impossible for members of this House to identify those of their colleagues who oppose the proposing of a motion under Standing Order 43, since this can throw doubt on the integrity of hon. members who are suspected, often wrongly, of having opposed a motion, and given that I am not questioning the courage and convictions of each of my colleagues, I move, seconded by the hon. member for Kamouraska (Mr. Dionne):

That the member or members who oppose the proposing of a motion under Standing Order 43 be required to identify themselves clearly by standing up when the Chair asks if there is unanimous consent.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

AIRPORTS

PICKERING TOWNSHIP SITE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Ron Atkey (St. Paul's): Mr. Speaker, under the terms of Standing Order 43, I would move the following motion related to the government's failure to honour its promise to set up an independent study group to permit citizen participation in the Pickering airport decision. The motion, seconded by the hon. member for Scarborough East (Mr. Stackhouse), reads as follows:

Whereas the Minister of Transport announced on January 30 the government's intention to proceed with expropriation for the new Toronto airport at Pickering but at the same time announced that an independent study group would be set up to permit the public to participate in the question of the airport; and since the minister stated at that time that it was the government's intention that the study group should report within 12 months; and whereas over seven weeks have elapsed since that statement with no announcement of the study group's formation and therefore still no opportunity for the citizens of the Toronto region to participate in this important decision, which by the minister's own admission—

Mr. Speaker: Order, please. Would the hon. member resume his seat? The hon. member is making a speech. We can easily get into difficulties if motions under Standing Order 43 are argued. I believe it is well established practice that an hon. member should not argue his case but he should indicate as briefly as possible the subject of his proposed motion and come to the point so that the Chair can seek the views of the House.

Mr. Atkey: I shall put the motion very briefly, Mr. Speaker. It is:

That the matter to which I have just referred be placed immediately before the Standing Committee on Transport and Communications for consideration and action.

Mr. Speaker: The House has heard the motion proposed by the hon. member for St. Paul's. It requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

INDUSTRY

TABLING OF TEXTILE AND CLOTHING BOARD REPORTS ON MEN'S AND BOYS SHIRTS AND ACRYLIC YARNS

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I wish to lay on the table of the House in both official languages, pursuant to section 19 of the Textile and clothing Board Act, copies of two reports, the first respecting men's and boys' shirts and the second respecting acrylic yarns.

* * *

• (1410)

[*Translation*]

CONSUMER AFFAIRS

IMPLEMENTATION OF TEN PER CENT COMPENSATED DISCOUNT SYSTEM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss a pressing matter.

Knowing that hon. members are aware of the precarious financial situation of at least 40 per cent of the Canadian people, I wish to move a motion intended to help the Canadian consumers fight inflation. I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House apply immediately a compensated discount of 10 per cent on the retail sale of all basic food products, including milk, bread, potatoes, some meats and vegetables, to be determined jointly by the authorities of the Departments of Finance and National Health and Welfare, and that the Standing Committee on Finance, Commerce and Economic Affairs make an inquiry to determine the technical process by which this discount will be applied, and table its report for approval in the House in 60 days.

Mr. Speaker: Hon. members have heard the motion of the hon. member. Pursuant to Standing Order 43, this motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the motion therefore cannot be put.

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

FINANCIAL ASSISTANCE FOR GRAIN STORAGE FACILITIES

Question No. 57—**Mr. Wise:**

Is the present government considering any financial assistance for grain storage facilities to farmers or existing grain elevators?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Yes.

CANADIAN POVERTY LEVEL

Question No. 61—**Mr. Wise:**

What does the government consider the poverty level to be and (a) how many Canadians are now living below this level (b) how many Canadians on fixed incomes live below this level?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): As far as Statistics Canada is concerned: There is no existing official statistical concept of poverty in Canada. However, Statistics Canada has established low income cut-offs which have been used to delineate low-income families from other units. For the year 1971 the low income cut-offs were as follows: 1 person unit, $2,013; 2 person unit, $3,355; 3 person unit, $4,026; 4 person unit, $4,697; 5 and 5+ person unit, $5,368; (a) Using the above low income cut-offs Statistics Canada estimates that the incidence of low income among unattached individuals was 37.6% and among families of two or more persons 15.9 per cent in 1971. This translates into approximately 3.9 million low income persons. (These data are the revised estimates originally published in Cat. No. 13-206 Income Distributions by Size in Canada, Preliminary Estimates, 1971.); (b) It is not clear how "living on fixed incomes" is being defined. However, the following unpublished estimates are available from the same source as quoted above: In 1971, 53.9 per cent or approximately 351,000 low income unattached individuals received their major source of income from transfer payments; in the same year 49.1 per cent or approximately 400,000 low income families reported government transfer payments as their major source of income.

GENERAL ADJUSTMENT ASSISTANCE PROGRAM

Question No. 173—**Mr. Rodriguez:**

1. What were the names of corporations which received subsidies under the General Adjustment Assistance Program (GAAP) in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date, and what were the amounts of direct loans, grants and government insured loans, in each case?

2. What are the objectives of the above program?

3. Has the department conducted any evaluative study of the program and, if so, what was the date of the latest report?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. No companies have received direct loans under the GAAP. Consulting assistance grants were provided to the following firms:

1968-69: Jean Demers Inc., $16,550. Spices & Botanical Products Ltd., $14,100. Northland Sportswear Ltd., $1,725. Morrison-Lamothe Bakery Ltd., $10,469. Keith Day Ltd., $1,250. Industrial Shipping Co. Ltd., $5,000. Total: $49,094.

1969-70: Fishery Products Ltd., $6,827.50. The Slater Shoe Company (Canada) Ltd., $1,750. Total: $8,577.50.

1970-71 Bernard Casuals Ltd., $1,633. Ideal Fur Co. Ltd., $670. Tweed Veneers Ltd., $4,706.91. Les Chantiers de Chibougamau Ltée. $4,750. Dynast Forest Products Ltd., $7,096.81. Total: $18,856.72.

1971-72: Levesque Plywood Limited, $17,500. Dominion Fence & Wire Products Ltd., $2,500. Savoy Shoe Co. Ltd., $1,790.71. The Valley Shoe Co. Ltd., $5,060. Consolidated Computer Inc., $103,525.47. Empire-Brentwood Industries Ltd., $7,236.79. Milady Dress Co. Ltd., $800.00. Total: $138,412.97.

1972-73 (to January 31, 1973): Consolidated Computer Inc., $1,238.45. Chibougamau Lumber Ltée., $12,241.58. Total: $13,480.03.

The names of corporations which have received loans from private lenders which were insured by the GAAB, are confidential.

2. The main objective of the GAAP is to help manufacturers take advantage of export opportunities arising from the Kennedy Round and to assist manufacturers of textile or clothing goods or footwear to improve their competitive position in domestic or export markets. Assistance also is available to manufacturers who have been injured or threatened with serious injury as a result of Kennedy Round reductions of Canadian tariffs. In addition, manufacturers of textile or clothing goods or footwear may be eligible for financing assistance to adapt efficiently to disruptive import competition which is threatening or causing serious injury. Assistance is also available to manufacturers to enable them to adjust to changes in conditions affecting access to foreign markets, which conditions are attributable to the imposition by a foreign country of a temporary import surtax or other measure having a similar effect.

3. The program is under continuous evaluation and review.

COUNSELLING ASSISTANCE TO SMALL ENTERPRISES PROGRAM

Question No. 174—**Mr. Rodriguez:**

1. What were the names of the recipients of grants under the Counselling Assistance to Small Enterprises Program (CASE) in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date, and what were the amounts in each case?

2. What are the objectives of the above program?

3. Has the department conducted any evaluative study of the program and, if so, what was the date of the latest report?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The information is commercially confidential.

2. To assist in upgrading the performance of small businesses in the manufacturing and tourist accommodation sectors by providing a management counselling service.

3. The program is under continuous evaluation and review.

TRAINING ON-THE-JOB PROGRAM AND TRAINING ALLOWANCES

Question No. 432—**Mr. Marshall:**

What is the breakdown by province of the following items under Vote 5a and 10a of the Supplementary Estimates (A) for the Department of Manpower and Immigration (a) payment to employers and provinces under agreements entered into for Training-on-the-Job Program, $59,836,711 (b) Training Allowances under the Occupational Training Act, $3,302,896?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration):

Order Paper Questions

(a) Canada Manpower Training On-the-Job Program

Province	Estimated Amount Payable by Canada
Newfoundland	$ 1,005,257
Prince Edward Island	2,979,868
Nova Scotia	1,555,754
New Brunswick	1,723,297
Total Atlantic Region	7,264,176
Quebec Region	19,710,213
Ontario Region	17,143,218
Manitoba	3,255,117
Saskatchewan	2,878,146
Alberta	3,781,680
North West Territories	382,955
Total Prairie Region	10,297,898
British Columbia	5,361,369
Yukon Territory	59,837
Total Pacific Region	5,421,206
Canada Total	$59,836,711

(b) Training Allowances

Province	Estimated Amount Payable by Canada
Newfoundland	$ 62,302
Prince Edward Island	20,432
Nova Scotia	77,134
New Brunswick	85,705
Total Atlantic Region	245,573
Quebec Region	1,038,067
Ontario Region	1,451,657
Manitoba	26,564
Saskatchewan	198,790
Alberta	93,221
North West Territories	8,975
Total Prairie Region	327,550
British Columbia	228,047
Yukon Territory	12,002
Total Pacific Region	240,049
Canada Total	$ 3,302,896

COMPENSATION FOR BANNED FIREWORKS

Question No. 443—**Mr. Cossitt:**

Is the government giving any consideration to the compensation of merchants who suffered financial losses as a result of their inability to sell stocks on hand of certain kinds of fireworks and firecrackers because of the ban on such sales announced by the Minister of Energy, Mines and Resources September 27, 1972?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The government expects to be able to announce its decision on the question of compensation at an early date.

[Mr. MacGuigan.]

ONTARIO PROFESSIONAL FIRE FIGHTERS ASSOCIATION—CANADA PENSION PLAN

Question No. 444—**Mr. Cossitt:**

Is the government giving consideration to any request by the Ontario Professional Fire Fighters Association that legislation be changed to make fire fighters eligible for the Canada Pension Plan at the retirement age of 60 which would conform with the usual municipal retirement age for this occupational group and, if so, how soon will a decision be announced?

Hon. Marc Lalonde (Minister of National Health and Welfare): A Subcommittee of the Canada Pension Plan Advisory Committee studied the proposal that the Canada Pension Plan be changed to make fire fighters eligible for retirement pension at the age of 60 whereupon a motion was adopted by the Main Committee to give further study to the matter. It must be remembered that the Canada Pension Plan can be amended only with the consent of two-thirds of the provinces with at least two-thirds of the population of Canada. As yet, it has not been possible to obtain the necessary concurrence.

UNEMPLOYMENT IN CANADA

Question No. 539—**Mr. Reynolds:**

1. What is the purpose of the recently announced study by the Economic Council of Canada of the labour force to discover the nature and extent of unemployment in Canada?

2. Did the government indicate in its announcement of LEAP that the nature and extent of employment was known and (a) if so, what is the reason for the Economic Council study (b) if not, will the government consider such factors before converting from LIP to LEAP?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Economic Council of Canada and the Department of Manpower and Immigration as follows: 1. The purpose of this study will be to explore the dynamics of the Canadian Labour market. This study is an integral part of the Council's on-going research program. It was undertaken at this time because of widespread concern about the persistence of unemployment in Canada.

2. (a) No. (b) LIP is not being converted to LEAP. LEAP is a separate and distinct experimental program designed to create long-term projects that will enable the department to study new ways of helping those who are not likely to become employed through existing program or normal labour market activity.

PUBLIC WORKS—TENDERS FOR RENTAL OF BUILDING

Question No. 578—**Mr. Lambert (Bellechasse):**

Did the Department of Public Works issue a contract for the rental of a building for the Post Office Department and Manpower Centre at Ste-Marie, in the constituency of Beauce and, if so (a) were tenders called (b) how many were received (c) what was the amount of each (d) what were the names of the tenderers (e) on what date will the Department take possession of the premises?

Hon. Jean-Eudes Dubé (Minister of Public Works): Yes. A Registered letter of Intent to lease was sent to Mr. Cliche on October 31, 1972. (a) Yes. Tenders were called closing on March 15, 1972. The public tender call was advertised in two daily newspapers, and one weekly newspaper as follows: *Le Soleil*, 390 Est, St-Vallier, Quebec,

P.Q., and *L'Action*, 3, Place Jean Talon, Quebec, P.Q.; both carried the advertisement on February 1, 1972. *Le Journal Constructo*, CP 9753, Ste-Foy, Quebec 10, P.Q., carried the advertisement on February 2, 1972. (b) One; (c) $31,687.50 per annum for the initial five years; (d) Mr. Eugène Cliche; (e) Subject to satisfactory completion of the building September 1, 1973.

OVERPAYMENT TO FARMERS UNDER OPERATION LIFT

Question No. 606—**Mr. Knight:**

1. How many farmers were overpaid under Operation Lift and by how much?

2. As of January 1, 1973, how much was reclaimed?

3. How many court actions have occurred in the attempts to collect overpayment?

Hon. E. F. Whelan (Minister of Agriculture): 1. Three thousand eight hundred and ninety-two farmers were overpaid under Operation Lift in the amount of $532,449.

2. $245,271.

3. None.

DISTRIBUTION BY STATISTICS CANADA OF SURVEYS TO SMALL BUSINESSES

Question No. 620—**Mr. McKenzie:**

How many surveys and forms have been distributed by Statistics Canada to small businesses in Canada in each of the past four years (1968-1972)?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Commercial businesses with less than 20 employees, and with relatively small total revenues and sales are classified as "small" business for statistical purposes. To minimize the response burden for them, Statistics Canada provides small businesses with abbreviated survey questionnaires. In addition, the use of sampling in some surveys means that reliable information on all small firms can be obtained by surveying only 5 per cent to 15 per cent of the total, the sample size depending on the particular survey in question. Over the years 1968 to 1972 inclusive, the average number of different surveys designed to collect data from small firms varied from 56 to 59. Most questionnaires are designed for surveys of specific industries and the maximum number of Statistics Canada surveys a small firm engaged in a single activity would be subject to in one year is four. Periodically, Statistics Canada asks some of the smaller firms for information on the nature, location and organization of their business in order to maintain its survey mailing lists and reporting structures up to date.

DEPARTMENT OF MANPOWER AND IMMIGRATION OFFICE, VICTORIAVILLE, QUEBEC

Question No. 637—**Mr. Fortin:**

1. How many employees of the Department of Manpower and Immigration are working in the office at Victoriaville, Quebec?

2. What is the yearly or monthly rent for the premises (a) in total (b) by square foot?

3. How many job applications were handled by or through that office during the past fiscal year and what was the number of (a) new applications (b) previous applications?

[*Translation*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Manpower and Immigration and Public Works as follows: 1. 17 permanent; 2 casual.

2. (a) $11,880 p.a.; (b) $2.50 per square foot p.a.

3. (a) 3,135; (b) 5,290.

[*English*]

NANAIMO HARBOUR AND OTHER WEST COAST PORTS

Question No. 717—**Mr. Reynolds:**

1. Who was the Chairman of the Nanaimo Harbour Commission in 1971?

2. How many tons of pulp were handled through the Nanaimo Port in 1971 and what was the Chairman's estimate for 1972?

3. In what manner is the pulp delivered to the Nanaimo Port and for what reason?

4. Are the Ports of Roberts Bank and Prince Rupert operating at full capacity and, if not (a) for what reason (b) is it intented to expand the Nanaimo Harbour?

5. Is it the intention of the government to establish a committee to coordinate the expansion of all ports?

Hon. Jean Marchand (Minister of Transport): 1. Mr. D. Robinson.

2. 306,440 short tons; there was no estimate of 1972 pulp shipments.

3. By barge, truck, and rail for assembly and shipment to export markets.

4. (a) It would be possible to ship additional tonnages through Roberts Bank and Prince Rupert but the facilities at these locations are not appropriate for the increased traffic which it is planned to accommodate at Nanaimo. (b) Yes.

5. The expansion of ports is co-ordinated by the Canadian Ports and Harbours Planning Committee.

MARINE SERVICES FOR ARCTIC NAVIGATION

Question No. 753—**Mr. Forrestall:**

1. What are the government's plans for necessary services to provide aids to navigation, including conventional aids, satellite assistance, and new electronic devices, both underwater and onshore with respect to Arctic navigation?

2. What forms of communications are being planned, including weatherfax information, to be made available to all ships transiting the area?

3. Will such ships be required by law to carry weatherfax receivers and, if so, on what date does the government intend to announce such requirements?

4. Will there be some form of continuous ice patrol, such as exists in the Gulf of St. Lawrence, which will be continuously collecting ice data for the weatherfax in those areas being used by commercial shipping?

5. What unclassified information has the government been given which was derived from the United States nuclear submersible vessels data gathering program?

6. What is the government's assessment of such information received?

Order Paper Questions

Hon. Jean Marchand (Minister of Transport): 1. (a) Canada maintains approximately 2,500 conventional aids in the Arctic. As shipping patterns develop in response to the exploitation of resources, it will be necessary to extend this system to serve new routes and terminals. We have the capability to meet this requirement. (b) Satellite navigation coverage is already available in the Canadian Arctic; we have no plans to increase this coverage. (c) Parts of the eastern Arctic, including Davis Strait and Baffin Bay, are within Loran "A" coverage and the entire region will shortly be covered by the worldwide Omega navigation system. We have no plans to introduce any electronic system into the Arctic at this time, but will follow developments in marine transportation and will respond accordingly. (d) The use of underwater electronic devices for commercial navigation was discontinued many years ago. Canada has no plans to revert to the use of such devices.

2. We are planning the extension and improvements to existing communications facilities through the associated ground stations that have resulted from ANIK. There are no plans for the extension of the present weatherfax communications.

3. Effective January 1, 1973, the Arctic Shipping Pollution Prevention Regulations require that an Arctic Class ship or a Type A ship be provided with a facsimile terminal capable of receiving transmission from stations Halifax CFH and Edmonton VFE and from ice reconnaissance aircraft on certain frequencies.

4. The Atmospheric Environment Service has operated the ice reconnaissance service on behalf of the Canadian Coast Guard for many years. This service operates in the Arctic in summer and in the Gulf of St. Lawrence in winter. The service has recently been re-equipped with new aircraft and more effective ice sensing equipment. The ice reconnaissance service will be increased as required.

5. Not received by Ministry of Transport.

6. N.A.

UNEMPLOYMENT INSURANCE COMMISSION STATISTICS

Question No. 761—**Mr. Hollands:**

By age and by province, how many persons in the wage level per annum of (a) $8,000 or more (b) less than $8,000 received Unemployment Insurance benefits as of December 31, 1972?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): The Unemployment Insurance Regulations provided for maximum insurable earnings of $7,800 per annum in 1972, and statistical information was completed on this basis; however no breakdown by age is available.

Estimated Number of Beneficiaries in December 1972

Province	Earnings of Less than $150 per week			Earnings of more than $150 per week			Total both Sexes
	Male	Female	Total	Male	Female	Total	
Newfoundland	18,200	7,180	25,380	2,000	120	2,120	27,500
Prince Edward Island	2,530	2,160	4,690	270	40	310	5,000
Nova Scotia	14,450	10,695	25,145	1,550	180	1,730	26,875
New Brunswick	15,360	11,550	26,910	1,640	200	1,840	28,750
Quebec	93,300	77,000	170,300	17,700	2,000	19,700	190,000
Ontario	69,600	90,575	160,175	21,000	3,200	24,200	184,375
Manitoba	11,500	10,000	21,500	3,100	400	3,500	25,000
Saskatchewan	10,100	7,525	17,625	2,700	300	3,000	20,625
Alberta	15,700	16,850	32,550	4,300	650	4,950	37,500
British Columbia	28,700	33,900	62,600	13,400	1,500	14,900	77,500
Northwest Territories	230	315	545	80	—	80	625
Yukon	600	480	1,080	160	10	170	1,250
Canada	280,270	268,230	548,500	67,900	8,600	76,500	625,000

EXPORT OF WHEAT

Question No. 791—**Mr. Lambert (Bellechasse):**

What was the total number of bushels of (a) wheat (b) barley (c) oats, that were exported in 1972 (i) to which countries (ii) what was the bushel price for each type of grain?

[*Translation*]

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: data on exports and price per bushel of wheat, barley and oats are shown in the table below for the calendar year 1972.

Commodity	Volume in Bushels	Value	(ii) Price per Bushel
(a) Wheat	507,073,836	$916,545,000	$1.81
(a) Wheat Seed	641,818	1,105,000	$1.72
(b) Barley	206,625,646	216,926,000	$1.05
(c) Oats	12,881,657	9,017,000	$0.70

(i) The attached list gives the countries of consignment for wheat, oats and barley.

Countries of consignment: (a) Wheat: United States; U.S.S.R.; Saudi Arabia; Venezuela; Trinidad-Tobago; United Kingdom; Malta and Gozo; Belgium-Luxemb.; France; Germany West; Italy; Netherlands; Portugal; Switzerland; Poland; Lebanon; South Africa; Algeria; Tunisia; Pakistan; Peoples Republic of China; Japan; Korea, North; Costa Rica; Cuba; Dominican Repub.; Guatemala; Finland; Norway; Fr. Africa N.E.S; Burma; Philippines; Ireland; Albania; Syria; Ghana; Nigeria;

[Mr. Forrestall.]

Mauritania; Morocco; Hong Kong; India; Malaysia; Singapore; Afghanistan; Indonesia; Taiwan; Thailand; Brazil; Peru; Venezuela; Barbados; Jamaica; Leuv-Wind Is.; Haiti.

(b) Barley: United Kingdom; Belgium-Luxemb.; Italy; Portugal; Germany East; Poland; U.S.S.R.; Iraq; Libya; Japan; Philippines; Ecuador; Venezuela; United States; Ireland; Germany West; Netherlands; Switzerland; Hungary; Roumania; Cypress; Israel; Algeria; Korea, South; Taiwan; Peru; Panama.

(c) Oats: Guyana; Bermuda; United Kingdom; Italy; Trinidad-Tobago; Ireland; Switzerland; Venezuela; Leuw-Wind Is; Panama; Argentina; United States; Belgium-Luxemb.; Barbados; Puerto Rico; Netherlands; Guyana; Jamaica; Dominican Repub.

[*English*]

CANADA COUNCIL GRANTS TO RESIDENTS OF NORTHUMBERLAND COUNTY, 1972

Question No. 833—**Mr. Lawrence:**

Who, or what organizations, resident or located in the County of Northumberland, in the Province of Ontario, received Canada Council grants in 1972, and what were their addresses, the purpose of the grants, and how much was paid to each?

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): I am informed by the Canada Council as follows: there were no such grants in the County of Northumberland in 1972.

CANADA COUNCIL GRANTS TO RESIDENTS OF NORTHUMBERLAND COUNTY, 1971

Question No. 834—**Mr. Lawrence:**

Who, or what organizations, resident or located in the County of Northumberland, in the Province of Ontario, received Canada Council grants in 1971, and what were their addresses, the purpose of the grants, and how much was paid to each?

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): I am informed by the Canada Council as follows: A $500 grant was made in May 1970 to sculptor Peter Kolisnyk, 139 Bay Street, Cobourg, Ontario, for the purchase of materials for four arts exhibitions held in the year 1970-71.

CANADA COUNCIL GRANTS TO RESIDENTS OF DURHAM COUNTY, 1971

Question No. 835—**Mr. Lawrence:**

Who, or what organizations, resident or located in the County of Durham, in the Province of Ontario, received Canada Council grants in 1971, and what were their addresses, the purpose of the grants, and how much was paid to each?

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): I am informed by the Canada Council as follows: A doctoral fellowship in the amount of $4,500 was awarded for the year 1970-71 to Mrs. Doreen P. W. Gorsline, 29 John Street, Port Hope, Ontario, for studies in Slavic literature at the University of Toronto.

CANADA COUNCIL GRANTS TO RESIDENTS OF DURHAM COUNTY, 1972

Question No. 836—**Mr. Lawrence:**

Who, or what organizations, resident or located in the County of Durham, in the Province of Ontario, received Canada Council grants in 1972, and what were their addresses, the purpose of the grants, and how much was paid to each?

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): I am informed by the Canada Council as follows: A doctoral fellowship renewal, in the amount of $4,500, was awarded for the year 1971-72 to Mrs. Doreen P. Gorsline, 29 John Street, Port Hope, Ontario, for studies in Slavic Literature at the University of Toronto.

UNEMPLOYMENT INSURANCE COMMISSION ELIGIBILITY

Question No. 841—**Mr. Stackhouse:**

Are (a) supply teachers (b) school secretaries eligible to claim unemployment insurance during July and August and, if so, will UIC send them cheques at their summer addresses?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Supply teachers or substitutes as well as school secretaries are eligible for benefits during July and August provided that they have at least eight weeks of insurable employment and will perform no work and receive no pay from their employer in respect of a period of seven consecutive days following their lay off or separation. Where a mailing address differs from the address shown on the Separation Certificate, an investigation is made to determine whether the claimant is in fact available for work. If it is determined that there is a reasonable relationship between the job opportunities in both the claimants mailing address and the address on the Separation Certificate benefit warrants will be mailed to the summer address, provided the claimant fulfills the other requirements for entitlement to benefit.

CANADA MANPOWER TRAINING PROGRAM, ONTARIO

Question No. 844—**Mr. Stackhouse:**

1. Will the Minister of Manpower and Immigration consider providing some financial assistance to students in college preparatory programs, in the Ontario Colleges of Applied Arts and Technology, who intend to take a manpower-financed program when they qualify?

2. How many students entered manpower programs in the Ontario colleges in 1971 and 1972?

3. What was the average fee paid?

4. What was the average award to the students?

5. How many left before completing the program?

6. How many found employment after graduation in the field for which they were trained?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. In addition to skill course purchases the Department also purchases preparatory or pre-vocational training for adults requiring academic upgrading either to obtain employment for which a designated academic level is a pre-requisite or to meet the entrance requirements of a vocational training course which would prepare the trainee for his desired occupation. This type of training, called Basic Training for Skill

Development or BTSD, had 17,554 trainees enrolled in Ontario during fiscal year 1971-72. All full-time trainees authorized for training by a Canada Manpower counsellor are eligible for financial assistance in the form of training allowances.

2. The total number of full-time Canada Manpower Training Program trainees enrolled in Ontario Colleges was as follows: 1970-71, 56,714; 1971-72, 56,104.

3. The average training purchase cost for those trainees was: 1970-71, $653.75; 1971-72, $747.81.

4. The average allowance paid to those trainees was: 1970-71, $792.40; 1971-72, $806.62.

5. The number of those trainees who terminated prior to completion of the training program was: 1970-71, 10,720; 1971-72, 8,460. Approximately 25 per cent of those trainees discontinuing training did so in order to take jobs.

6. According to the latest follow-up results for full-time institutional training, 70.6 per cent of the trainees who completed skill courses in 1971-72 were employed three to four months after graduation. 60.2 per cent of the graduates found employment in occupations for which they were trained, and the remaining 10.4 per cent found employment in occupations not related to their training course. The equivalent figures for 1970-71 are 66.4 per cent employed; 59.1 per cent in occupations related to their training and 7.3 per cent in occupations unrelated to their training.

IMMIGRATION—CHANGE IN IMMIGRATION REGULATIONS

Question No. 849—**Mr. Cossitt:**

Will the government consider changing Immigration regulations announced in November, 1972, so that those from other countries who were actually in Canada prior to the date of the said announcement can apply for landed immigrant status from within this country?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): The Government is not prepared to restore Section 34 of the Immigration Regulations nor does it plan to make wholesale exceptions to the withdrawal of the right to apply for landed immigrant status from within Canada. The Department will continue to process those applications submitted before the revocation of Section 34. It will also consider those cases where there is evidence that a person called at an immigration office prior to the revocation to submit an application but where the application could not be dealt with. Sympathetic consideration will also be given to genuine political refugees as well as to cases where there are strong humanitarian and compassionate circumstances.

IMPORTS OF BUTTER AND DAIRY PRODUCTS

Question No. 851—**Mr. Lambert (Bellechasse):**

Has Canada imported butter and other dairy products in the period January 1, 1972 to January 31, 1973 and, if so (a) in what amounts (b) from what countries (c) what were the amounts from each country (d) what was the price per pound for each of such products?

[Mr. MacGuigan.]

[*Translation*]

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: The following table provides data on the import of butter into Canada for the period January 1, 1972 to December 31, 1972. Data are not yet available for January 1973.

	Quantity (lbs.)	Value ($)	Average Price per Pound
Australia	13,400	$ 26,000.	$1.94[1]
U.S.A.	8,937,200	$4,675,000.	.52
TOTAL[2]	8,950,600	$4,701,000.	$ .53

[1] Unique packaging and type of butter for specialized use.

[2] Totals may not coincide with sums due to rounding.

Other Dairy Products

The following table provides data on the import of other dairy products (excluding butter) for the period January 1, 1972 to December 31, 1972. Data are not yet available for January 1973.

Country	Quantity (Lbs.)	Value ($)	Average Price
United Kingdom	992,700	605,000	$0.61
Ireland	294,200	131,000	0.46
Austria	1,718,800	745,000	0.43
Belgium-Lux.	4,300	3,000	0.70
Denmark	8,489,300	4,831,000	0.57
Finland	2,457,400	896,000	0.36
France	3,000,100	2,710,000	0.90
Germany West	1,404,600	826,000	0.59
Greece	1,504,300	854,000	0.57
Iceland	4,900	2,000	0.41
Italy	2,909,100	3,155,000	1.08
Netherlands	5,282,200	3,390,000	0.64
Norway	1,020,300	520,000	0.51
Portugal	345,800	275,000	0.80
Sweden	450,900	230,000	0.51
Switzerland	4,564,100	3,730,000	0.82
Poland	136,000	37,000	0.27
Australia	120,100	64,000	0.53
New Zealand	2,382,200	498,000	0.21
Argentina	612,400	341,000	0.56
United States	22,440,200	3,584,000	0.16
TOTAL[1]	60,133,900	27,424,000	

[1] Totals may not coincide with sums due to rounding.

[*English*]

UNEMPLOYMENT INSURANCE COMMISSION ELIGIBILITY

Question No. 853—**Mr. Stackhouse:**

1. Did any school secretaries receive UIC benefits during the months of July and August in 1971 and 1972 and, if so (a) how many (b) how much were they paid?

2. Did any supply school teachers receive UIC benefits during the months of July and August in 1971 and 1972 and, if so (a) how many (b) how much were they paid?

3. In 1971 and 1972, were any benefit cheques mailed by UIC to addresses outside Canada and, if so, to what countries were they mailed?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. As the UIC did not commence coding occupations until January 1, 1973, no information of this nature is available.

2. As the UIC did not commence coding occupations until January 1, 1973, no information of this nature is available.

3. In 1971 and 1972, benefit cheques were mailed to claimants in the U.S.A. under the provisions of the reciprocal agreement between Canada and the United States respecting unemployment insurance. The United States is the only country with which Canada has such an agreement.

LIP PROJECTS ON INDIAN RESERVES

Question No. 861—**Mr. Korchinski:**

1. How many LIP projects were there undertaken in the past year on Indian reservations?

2. How many projects were there on Indian reservations in Saskatchewan?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. A total of 288 LIP projects were undertaken under the 1971-72 Program on Indian Reservations across Canada.

2. Nineteen.

DEPARTMENT OF EXTERNAL AFFAIRS—ESTABLISHMENT AND SALARIES

Question No. 863—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of External Affairs?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of External Affairs?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Two thousand six hundred twenty-six not including locally-engaged staff abroad.

2. Two hundred fifty-five employees earned more than $15,000 annually on January 31, 1970. The number of employees earning more than $15,000 annually on January 31, 1970, distributed according to $1,000 intervals is as follows:

Salary interval	No. of employees
$15,000-$16,000	9
$16,000-$17,000	45
$17,000-$18,000	24
$18,000-$19,000	25
$19,000-$20,000	9
$20,000-$21,000	16
$21,000-$22,000	10
$22,000-$23,000	31
$23,000-$24,000	8
$24,000-$25,000	40
$25,000-$26,000	6
$26,000-$27,000	22
$27,000-$28,000	Nil
$28,000-$29,000	8
$29,000-$30,000	2

3. Two thousand nine hundred one including 170 support staff transferred from other departments but not including locally-engaged staff abroad.

4. Three hundred twenty-two employees earned more than $18,000 annually on January 31, 1973. The number of employees earning more than $18,000 annually on January 31, 1973, distributed according to $1,000 intervals is as follows:

Salary interval	No. of employees
$18,000-$19,000	22
$19,000-$20,000	23
$20,000-$21,000	27
$21,000-$22,000	40
$22,000-$23,000	Nil
$28,000-$35,000	1
$30,000-$31,700	45
$30,000-$34,500	8
$45,000-$50,000	1

DATA ON CANADIAN AND INDIAN POPULATIONS

Question No. 881—**Mr. Orlikow:**

1. For the last year for which figures were available, what was the total per capita investment in housing for the people of Canada?

2. In the same year, what was the total per capita investment for Indian housing from the Department of Indian Affairs and Northern Development appropriations, band revenues and individual contributions?

3. What were the average salaries and wages (excluding military pay) for 1971 earned by Canada's labour force?

4. What was the average income of Canadian Indian families excluding general assistance and family allowances?

5. What was the average age of death for all Canadians—male and female—for the last year which figures are available?

6. What was the average age of death for Canadian Indians—male and female—for the same year?

7. Of the total Canadian population, how many families live in houses of three rooms or less?

8. Of the total Indian population, how many families live in houses of three rooms or less?

9. Of the total Canadian population, how many live in homes which are provided with electricity, with sewer services or septic tanks, with running water, with indoor baths?

10. Of the total Indian population, how many live in homes which are provided which are provided with electricity, with

sewer services or septic tanks, with running water, with indoor baths?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada and the Department of Indian Affairs and Northern Development as follows: 1. The total per capita new investment in housing for the Canadian population was estimated at $187 during the calendar year 1971.

2. (a) $128.62; (b) $7.86; (c) $4.99.

3. Not available as asked. The total salaries and wages paid during 1971 divided by the average number of paid workers was $6,916.35.

4. See answer to Question No. 1879 tabled in the House of Commons December 1, 1971.

5. Average age of death for all Canadians in 1971 was: Males 63.3; Females 68.2.

6. Average age of death for Canadian Registered Indians in 1971 was: Males 39.4; Females 40.6. Excluding Newfoundland, Ontario, Manitoba and Alberta.

7. Distribution of families by number of rooms per dwelling is not available. However, 1971 Census data show that of 6,034,505 occupied dwelling units in Canada, 846,470 contained three rooms or less.

8. See answer to Question No. 722 tabled in the House of Commons March 7, 1973.

9. This information is not available for individuals, but 1971 Census data show the following number of dwelling units equipped with running water and installed bath or shower: Hot and cold running water, 5,592,515, dwelling units; Cold running water only, 201,955, dwelling units; Installed bath or shower, 5,584,510, dwelling units. The question on electricity was not asked in the 1971 or 1961 Censuses, and 1971 data on sewer services are not yet available. The 1961 figures are as follows, based on 4,554,493 total dwellings: Connection to sewer, 2,902,622 dwelling units; septic tank or cesspool, 948,257 dwelling units.

10. See answer to Question No. 722 tabled in the house of Commons March 7, 1973.

POST OFFICE, ST. NORBERT, MANITOBA

Question No. 889—**Mr. Diefenbaker:**

Will the Postmaster General give re-consideration to the order closing the Post Office in St. Norbert, Manitoba, having regard to a large petition having been taken up and the fact that it is the only bilingual Post Office in Metropolitan Winnipeg?

Hon. André Ouellet (Postmaster General): There has never been a decision to close the St. Norbert, Manitoba, Post Office and it is not intended to do so.

EXPORT DEVELOPMENT CORPORATION

Question No. 901—**Mr. Stevens:**

1 What hotels or motels have been insured by the Export Development Corporation under Section 34 of the Export Development Act and for each contract (a) in what country is the project situated (b) who is the owner of the project (c) what are the category or categories of insurance (d) what is the applicable amount of insurance in relation to the total cost of the project in figures and percentage terms and with respect to each category of insurance, rates charged and term?

2. In what way were exporters in Canada benefited by each project so insured?

3. Has any claim been made to date under one or more of the contracts?

4. Is it proposed to issue any further contracts of insurance with respect to foreign investments in hotels or motels or similar projects under Section 34 of the Export Development Act?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Export Development Corporation states that: 1. It has insured under section 34 of the *Export Development Act* a Canadian investment abroad in respect of one hotel; it has not insured a Canadian investment abroad in respect of a motel; (a) the project is situated in St. Lucia, British West Indies; (b) the principal owner and insured investor is Livingston Holdings Limited, Tillsonburg, Ontario; (c) as to the categories of the foreign investment insurance cover provided for the hotel investment, the insurance is against loss of or in respect of the investment by reason of the three risks of (i) government action that prohibits or restricts the transfer of capital or dividends from the country, (ii) expropriation, and (iii) war, revolution or insurrection; and (d) with regard to part (d) of the question numbered 1, (i) the contract of insurance in question covers 85 per cent of the amount of Canadian investment in the hotel. EDC receives as a matter of trade confidence particulars of the proposed Canadian investments abroad for which its foreign investment insurance is sought, and so as not to break faith with the investor, does not publish specific figures for the amount of each insurance contract or the cost of each project. There is often keen competition between intending investors for the approval of the government of the country concerned; and (ii) for each of the three categories of insurance mentioned above, the premium rate charged is an annual rate of 0.3 per cent, and for each the term of the cover is 15 years.

2. The benefit to exporters in Canada lies in contracts for construction and for Canadian goods and services for the hotel, together worth approximately $1.8 million.

3. There has not been any claim made to date under the contract of investment insurance in question or under any other EDC contract of foreign investment insurance.

4. EDC is prepared to examine all applications for foreign investment cover and accepts those which meet all its criteria with particular emphasis on the benefits of the proposal to both the economy of Canada and the economy of the host government. These criteria would apply to foreign investments by Canadians in both hotels or motels.

DEPARTMENT OF MANPOWER AND IMMIGRATION—COST OF ANNUAL REPORT

Question No. 937—**Mr. Andre:**

1. What was the cost of production, printing and distribution of the Report for the fiscal year ended March 31, 1972, for the Department of Manpower and Immigration?

2. How many copies of the Report were distributed?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. $6,565.46.

2. 6,000.

EXPORT OF SNOWMOBILES

Question No. 963—**Mr. Lambert (Bellechasse):**

Did Canada export snowmobiles and spare parts during 1971 and the first ten months of 1972 and, if so (a) to which countries (b) how many were exported to each country (c) what was the value of such exports?

[*Translation*]

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: The attached table gives data on the export of snowmobiles and parts, for the calendar year 1971 and the first ten months of 1972: (a) the countries to which they were exported (b) the number of units exported (c) the value of the units and parts exported.

Snowmobiles Pleasure and Sport and Parts

(a)	1971		1972 Jan-Oct	
	(b) Units	(c) $000	(b) Units	(c) $000
United Kingdom	5	5	7	25
Austria	2	31	29	55
Belgium-Luxembourg	34	33	—	3
Denmark	—	—	—	1
Finland	46	55	423	257
France	18	12	15	13
Germany West	68	66	20	13
Greece	2	2	—	—
Italy	1	3	8	4
Netherlands	1	1	—	—
Norway	—	30	119	114
Spain	—	—	20	8
Sweden	429	348	1,041	635
Switzerland	7	6	—	—
U.S.S.R.	3	2	—	2
Yugoslavia	—	—	3	2
Iran	2	2	2	2
South Africa	1	1		
Japan	3	32	3	4
Australia	30	20	15	15
New Zealand	4	3		
Ecuador	—	1		
Mexico	—	2		
Greenland	—	—	1	3
United States	191,905	138,889	102,388	81,797
Total	192,561	139,544	104,094	82,952

NOTE: Totals may not coincide with sums due to rounding.

[*English*]

CANADIAN-OWNED COMPANIES ADVERTISING

Question No. 975—**Mr. Masniuk:**

1. Is it the intention of the government to encourage Canadian-owned companies to advertise this fact on all their products?

2. Does the government consider that such a policy would encourage Canadians to buy more Canadian goods?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The government has no plans to urge or oblige Canadian-owned companies to advertise this fact on their products. Canadian-owned companies who wish to advertise the fact are free to do so.

2. There has been no detailed study of what the effects of such a policy would be. Study of the subject would have to take into account a number of factors including Canadian export interests, since purchasers and governments in other countries might respond adversely to the kind of policy in question.

NUMBER OF IMITATION PERSONAL LETTERS FROM PRIME MINISTER

Question No. 990—**Mr. Cossitt:**

1. What was the exact number of imitation personal letters from the Prime Minister accepted for mailing by the Post Office Department shortly before October 30, 1972?

2. From whom did the Post Office Department receive these items to be mailed?

3. What was the total amount of postage received by the Post Office Department for these items and from whom and on what dates was this postage received?

4. Where these items of mail sealed and was each addressed to a specific individual at a specific address?

5. Did each item carry eight cents postage and, if not, for what reason?

6. What were the names of the electoral districts into which these items were mailed?

Hon. André Ouellet (Postmaster General): 1. Unknown.

2. From a direct mail firm.

3. Postage paid by means of postage meter impressions. Amount unknown.

4. Yes.

5. No, five cents because mailings were made up in accordance with Post Office requirements and as such qualified for the reduced third class mail quantity rate of five cents.

6. No record is kept of points of destination of mailings.

STATUS OF CANADIANS FORMERLY RESIDING IN UGANDA

Question No. 1,000—**Mr. Diefenbaker:**

1. As Canadians formerly residing in Uganda have been denied, on leaving Uganda, the right to remove their assets, bank deposits, etc., will the government give consideration, in view of the fact that it is making money grants to Uganda, to deducting the amount of all proven claims from such grants?

2. What has been done by the Department of External Affairs in connection with the claim of Mr. E. A. Nicholson of Prince Albert, Saskatchewan, who has been deprived of approximately $5,000 by action taken by the Uganda Government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. In so far as the Canadian International Development Agency is concerned, the reply is as follows: There are no direct money grants being made by the Canadian International Development Agency to Uganda. All Canadian aid to Uganda is in kind, either by the provision of equipment or in the form of technical assistance.

2. In so far as the Department of External Affairs is concerned, the reply is as follows: The Department of External Affairs, through the Canadian High Commission in Nairobi, is continuing to press its inquiries of the Government of Uganda for the release of the personal effects and funds of Mr. Nicholson, within the limits of the laws and regulations of Uganda which apply to Mr. Nicholson as a former resident of that country.

FEDERAL INCOME TAX OFFICE, SASKATOON

Question No. 1,004—**Mr. Diefenbaker:**

1. Is the federal Income Tax Office in Saskatoon being moved from the federally-owned London Building to the Canadian Imperial Bank of Commerce Building?

2. What has been the cost of operating the London Building during each of the past five years?

3. Under the lease of the said Bank Building (a) what is the annual rental and for how long (b) is there a further rental period provided at the option of the lessee?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Yes.

2. 1968-69, $69,035; 1969-70, $80,561; 1970-71, $77,226; 1971-72, $70,905; 1972-73, $71,730.

3. (a) $152,273 per annum for five years; (b) Yes.

REMOVAL OF HIGHWAY BOOBY-TRAPS

Question No. 1,013—**Mr. Mather:**

Is consideration being given to initiating or accelerating a traffic safety program aimed at removing booby-traps such as light poles, sign posts, trees, rock ledges and level railroad crossings from highways under federal or inter-provincial jurisdiction?

Hon. Jean Marchand (Minister of Transport): The Departments responsible for federal highways all have active programs for road hazard identification and removal on roads under their jurisdiction. The responsibility for hazard identification and removal on inter-provincial highways rests with the provinces concerned. As announced earlier, new legislation is being prepared which would permit broadened federal participation in rail grade crossing removal and improvement funding, as administered by the Canadian Transport Commission.

GROUNDING OF "IRISH STARDUST"

Question No. 1,041—**Mr. Harding:**

1. (a) What was the estimated amount of oil spilled in the recent grounding of the *Irish Stardust* off the B.C. Coast (b) what is the estimated cost of the clean-up and what does it involve (c) what is the estimated cost to be charged (i) to the government (ii) to other sources?

2. What specific damage to the ecology resulted from this oil spill?

Hon. Jean Marchand (Minister of Transport): 1. (a) The estimated total amount of oil spilled from the *Irish Stardust* was about 348 tons. (b) Clean-up of the oil and disposal of resulting contaminated debris has resulted in a total cost of approximately $278,400. (c) As of today the amount recoverable by the Government of Canada has not been established precisely. Charges are pending in the courts and only after further negotiations can an answer to this question be given.

2. Damage to the ecology appears to be minimal. A specific answer to this question will be possible only after scientists have had the opportunity to study this facet of the incident in more detail.

OIL SPILL EMERGENCIES—CONTINGENCY SUPPLIES

Question No. 1,042—**Mr. Harding:**

1. What are the locations in each of the following areas where contingency supplies are stocked to meet oil spill emergencies (a) the Pacific Coast (b) the Atlantic Coast and the Gulf of St. Lawrence (c) the Arctic Coast (d) elsewhere in Canada?

2. What basic equipment do these contingency supplies include?

3. What are the contingency arrangements for personnel in the event of an emergency?

Hon. Jean Marchand (Minister of Transport): 1. The Ministry of Transport has established facilities for storage of marine pollution contingency equipment to meet oil spill emergencies at: (a) Pacific Coast—Vancouver B.C.; Victoria, B.C.; and Prince Rupert, B.C; (b) Atlantic Coast and the Gulf of St. Lawrence—St. John's, Nfld.; Charlottetown, P.E.I.; Dartmouth, N.S.; Saint John, N.B.; Quebec City, Que.; Sorel, Que.; Montreal, Que.; (c) Arctic Coast—Frobisher Bay, N.W.T.; Resolute Bay, N.W.T.; Inuvik, N.W.T.; Tuktoyaktuk, N.W.T.; Hay River, N.W.T.; Norman Wells, N.W.T.; (d) Elsewhere in Canada—Churchill, Manitoba; Selkirk, Manitoba; Prescott, Ont; Burlington, Ont.; Amherstburg, Ont.; Sarnia, Ont.; Parry Sound, Ont.; and Thunder Bay, Ont.

2. Equipment at these sites includes such items as barges fitted with slick-lickers, oil containment booms, skimmer pumps and hoses, communications equipment, steam cleaners, absorbents and various other miscellaneous items used in oil pollution clean-up.

3. Contingency arrangements for personnel are contained in the various Pollution Contingency Plans which have been developed at the international, national and local levels.

EXPENDITURES IN OIL SPILL CLEAN-UP OPERATIONS

Question No. 1,043—**Mr. Harding:**

1. (a) How many oil spills were there in each year 1970 to 1972 inclusive in which the government took part in clean-up operations (b) what was the estimated amount of each spill (c) in what location did each spill take place?

2. What was the total cost (a) of each clean-up operation (b) to the government of each clean-up operation?

Hon. Jean Marchand (Minister of Transport): 1 and 2. No listing has ever been made for all the oil spills occurring in Canada nor is there a comprehensive record of Federal Government involvements and costs incurred.

PUBLIC WORKS—LONDON BLOCK, SASKATOON

Question No. 1,080—**Mr. Diefenbaker:**

1. For how long has the London Block in Saskatoon housed the Department of National Revenue?

2. Was it renovated within the past four years and, if so, what was the cost thereof?

3. For what reason has it become necessary now to move the Department offices from the London Block to the Canadian Imperial Bank of Commerce Building?

4. What use is to be made of the vacated premises in the London Block?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Eighteen years.

2. Yes: 1969-70, $2,176.00 (minor works); 1970-71, $3,-373.00 (minor works); 1970-71, $54,765.00 (tenant alterations); 1972-73, $5,792.00 (minor works).

3. In order to extend further the life of this 60 year old structure, costly renovations would have to be undertaken. This additional expenditure would prove to be economically unfeasible.

4. A decision has not yet been made concerning future use of the property. The Department of Public Works is preparing a study of the options available.

COST OF DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE FAIR IN PEKING

Question No. 1,081—**Mr. Stevens:**

1. What was the total direct and indirect cost to the government of the Department of Industry, Trade and Commerce Trade Fair held in Peking in August 1972?

2. (a) How many Canadians visited the fair (b) how many Canadians exhibited at the Fair (c) is it planned to hold any further such functions in the People's Republic of China?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Direct costs of the Canadian Trade Exposition in Peking to the Department of Industry, Trade and Commerce are, as of February 26, 1973, $1,217,759.41. Indirect costs which would include staff time in Canada, at the Embassy in Peking, and the office of the Canadian Commissioner in Hong Kong, in the preparatory phase, during the Exposition and in the follow-up activities cannot be accurately calculated.

2. (a) Visits by 559 Canadians to the Canadian Trade Exposition in Peking were recorded. It is estimated that an additional 25 Canadians either residents of Peking or visitors to China of whose presence there was no official record also attended the Fair. (b) 206 Canadian companies; (c) The only facilities available in China to house a fair of the magnitude of the Canadian Trade Exposition held between August 21 and September 5, 1972 is the Peking Exhibition Centre. These facilities are already reserved for the next four years by other countries conducting trade expositions. A trade exposition of multiple product lines is not planned for China, but it is proposed to hold smaller exhibitions on industry sector lines. In 1973/74 the staging of an exhibition of Canadian Electronic and Scientific Equipment in Shanghai has been proposed and is under consideration by the Government of the People's Republic of China. A series of missions, outgoing and incoming involving Chinese officials and representatives of the Canadian business community interested in oil and gas equipment, power generation and transmission equipment, metals and minerals, apparel and textiles, forest products and related equipment, agriculture and transportation are being negotiated.

CONCESSIONS TO H&R BLOCK (CANADA) LIMITED

Question No. 1,170—**Mr. Schellenberger:**

1. Has H&R Block (Canada) Limited obtained a concession from the Department of National Defence to open up offices at Armed Forces Bases across Canada and, if so, on what basis was such concession awarded to H&R Block (Canada) Limited?

2. Is the government aware that H&R Block is wholly American owned, and was this taken into account when awarding the concession?

3. Is it the policy of the government to award contracts and concessions to American-owned or controlled companies and corporations when other Canadian facilities are available?

Hon. James Richardson (Minister of National Defence): 1. No, H&R Block (Canada) has not been granted a concession by the Department of National Defence to open offices at Canadian Forces' Bases across Canada.

2 and 3. Not applicable.

CBC—TELEVISION SERVICE VIA ANIK SATELLITE

Question No. 1,174—**Mr. Korchinski:**

1. What communities are immediately to receive telephone and television communications in Northern Canada as a result of the setting into orbit of Anik I?

2. Which communities are destined to receive this service in the next two years?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. The following communities in Northern Canada, which had been receiving only a recorded CBC television service on a delayed basis for four hours per day, began receiving the full CBC live network service via the ANIK satellite during February, 1973: Whitehorse, Watson Lake, Faro, Dawson and Clinton Creek in the Yukon Territory; Inuvik, Fort Smith, Yellowknife, Pine Point and Frobisher Bay in the Northwest Territories; Fort Nelson and Cassiar, British Columbia; and Uranium City, Saskatchewan. Stations at Churchill, Manitoba and Goose Bay, Labrador also began receiving service by satellite in February.

2. Poste-de-la-Baleine, Fort Chimo and Fort George in Québec; Keno Hill (feeding Elsa and Mayo) in the Yukon Territory; Norman Wells, Fort Simpson and Rankin Inlet in the Northwest Territories; Port au Port, Newfoundland. In addition, during 1974 the CBC expects to file applications with the Canadian Radio-Television Commission for a number of stations to be satellite fed which, if approved, could be operational in 1974-75. These communities are Povungnituk, Inoucdjouac, in Quebec; Eskimo Point. Baker Lake, Cambridge Bay, Cape Dorset, Igloolik, Coppermine and Pangnirtung in the Northwest Territories; and Nain, Newfoundland.

NORTHERN NATURAL GAS PIPELINE STUDY

Question No. 1,207—**Mr. Rowland:**

Has the government conducted a study to determine the effects upon Canada's economy of the demand for 5 billion dollars for the construction of the Northern natural gas pipeline and, if so, by whom was the study conducted and with what results?

Order Paper Questions

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No. However, a study is in progress. It is being carried out by an interdepartmental committee.

AIRCRAFT—REPLACEMENT OF CF 101 AND CF 104

Question No. 1,210—**Mr. Rowland:**

Is the government currently engaged in evaluating possible replacement aircraft for the CF 101 and the CF 104 and, if so (a) has it yet been determined whether the purchase of one aircraft type or two would be involved in the replacement (b) what aircraft are currently being considered as possible replacements (c) on what date is it anticipated that a replacement will be required for the (i) CF 104 (ii) CF 101 aircraft currently in use?

Hon. James Richardson (Minister of National Defence): Evaluating the capability of current and possible new equipment to meet national objectives is a continuous process in the Department but no specific evaluation study of possible replacement aircraft for the CF 101 and CF 104 is currently underway. (a) and (b) not applicable; (c) if retention of a fixed wing tactical fighter defence capability is required it is currently estimated that the replacement of the CF 101 and CF 104 would have to be made about 1980.

PACIFIC REGIONAL LABORATORY

Question No. 1,273—**Mr. McKinnon:**

Is it the intention of the government to locate the Pacific Region Laboratory, formerly called the Pacific Conservation Centre, in Vancouver, B.C. and, if so what are the reasons for overruling the Pacific Region Advisory Committee of the Canadian Conservation Institute, which recommended unanimously in November 1972 that the laboratory be located in Victoria?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the National Museums of Canada as follows: No definite decision has been taken as to the ultimate location of the Pacific Regional Laboratory of the Canadian Conservation Institute, a branch of the National Museums of Canada. Acceptance of the offer of modest interim office space in a federally-owned building in Vancouver is for the purpose of accommodating a planning staff which will undertake feasibility surveys, and involves no permanent commitment to Vancouver. While, in November 1972, the Pacific Regional Advisory Committee recommended location of the Pacific Regional Laboratory in Victoria, at the more recent meeting of February 9, 1973, the Committee agreed unanimously to defer final recommendation on location until the necessary feasibility studies had been completed.

MAN AND RESOURCES PROGRAM

Question No. 1,285—**Mr. Nielsen:**

1. (a) What were the names of those who attended the "Man and Resources" program in the North and where was each individual from (b) did any Native people attend the program and, if so, from where?

2. What communities were visited, for what purpose and at what cost to the federal government?

3. For the 1973 program, what are the names of the individuals, groups, organizations, associations involved and what are the 12 resource issues?

[Mr. Rowland.]

4. Will elected Members be invited to take part in the 1973 program and, if so, from where?

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

(a)	(b)
Mr. John Amagualik Frobisher Bay, N.W.T.	Inuit
Miss Pat Carney, Yellowknife, N.W.T.	
Miss Susan Huskey, Inuvik, N.W.T.	Indian
Mr. Edward Lennie, Inuvik, N.W.T.	Inuit
Mr. William Lyall, Cambridge Bay, N.W.T.	Inuit
Miss Gina Pryde, Yellowknife, N.W.T.	Indian
Mr. Ronald C. Watson, Haines Junction, Y.T.	
Mr. Paul White, Whitehorse, Y.T.	

2. It is difficult to estimate the total costs to finance visits to northern communities. The purpose of the visits was to secure input to the "Man and Resources" program in terms of local resource use problems, issues and conflicts. However, the entire northern program was run on a $30,000 budget and in the course of the investigations 15 communities were visited: Whitehorse, Haines Junction, Faro, Inuvik, Yellowknife, Fort Good Hope, Fort McPherson, Fort Norman, Fort Simpson, Pelly Bay, Cambridge Bay, Frobisher Bay, Igloolik, Hall Beach and Pangnirtung.

3. The 1973 program is not yet underway in the North. However, it is expected that the eight northern delegates will continue to take an active part as well as any other interested groups or interested groups or individuals. The twelve resource issues are: citizen participation; population; growth ethic and social values; qualitative and quantative information for decision-making, a dynamic inventory of man and resources; education; long term planning in resource development; integral planning and co-ordination; foreign ownership; ownership; and, energy.

4. Yes, members of the Canadian Council of Resource and Environment Ministers will take part. However, the program was designed specifically as a forum for expression of views by the general public.

*COST OF MAINTAINING UNITED NATIONS PEACE KEEPING FORCES IN CYPRUS

Question No. 1,384—**Mr. Diefenbaker:**

1. What has been the total cost to Canada, exclusive of pay and allowances, year by year since it began operations, of the United Nations Peace Keeping Forces in Cyprus?

2. What other nations in the said United Nations Forces pay the total costs of maintaining their respective forces?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the answer to part I is that from the commencement of operations in 1964 until March 15, 1973, the total cost to Canada of maintaining our contingent in the United Nations Force in Cyprus, not including pay and allowances, amounted to $21,684,000.

The answer to part 2 is that Canada does not have access to the information requested because the arrangements with other participants in the United Nations Force in Cyprus are the subject of confidential agreements between the nations concerned and the United Nations.

The annual breakdown of amounts, in further answer to part 1, are included in the answer I have prepared. However, rather than take the time of the House by reading all the individual figures, I would ask for agreement to table these annual figures and to have them printed in *Hansard.*

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: The figures above referred to are as follows*]: 1964, $3,486,000; 1965, $3,516,000; 1966, $2,948,000; 1967, $2,907,000; 1968, $1,836,000; 1969, $1,476,000; 1970, $1,768,000; 1971, $1,899,000; 1972, $1,575,000; to March, 15 1973, $273,000; Total $21,684,000.

*COMPLIANCE BY STARLAW INVESTMENTS WITH CRTC DIVESTITURE ORDER

Question No. 1,440—**Mr. Reilly:**

Has Starlaw Investments complied with the divestiture order contained in CRTC Decision 70-284 dated November 3, 1970 and, if not, have CRTC and Starlaw Investments reached agreement on an appropriate time table to complete divestiture transactions?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, in so far as the Canadian Radio-Television Commission is concerned the answer is the following: As of this date, Starlaw Investments has not concluded any agreement of sale that would allow them to comply with the divestiture order contained in CRTC decision 70-284. The commission has had discussions with Starlaw Investments and the licensees involved, and expects that an application for divestiture will be filed by mid-year. During the February 1973 public hearing, Mr. Ferguson indicated the more recent measures undertaken by Starlaw Investments to give up all its interests in cablevision operations outside the Montreal area. He explained it thus, and I quote: "In the commission's decision of 1970 involving ownership of Cable Television Limited, a company was specifically required to divest its interest in three subsidiary cable operations outside the Montreal area. We are in the process of complying with that decision. We are in discussion now with several parties and we expect an agreement in the near future. By mid-year, we should have an application filed which we hope will meet the approval of the commission".

[*English*]

*CONSTRUCTION OF NEW LIGHT FRIGATES FOR CANADIAN ARMED FORCES

Question No. 1,495—**Mr. Rowland:**

Has a decision been made to proceed with the construction of a new class of "light frigates" for the Canadian Armed Forces and (a) if so, how many such vessels are contemplated and what is the projected per unit cost (b) if not, is the possibility of embarking upon a new naval construction program currently being examined and, if so (i) what types of vessels are being considered (ii) would such vessels be entirely designated in Canada, a design purchased from abroad and constructed in Canada, or would the vessels in question be purchased from foreign shipyards (iii) on what date may an announcement with respect to the letting of a contract be expected?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the answer to starred question 1495 is that no decision has been made to proceed with the construction of a new class of light frigate for the Canadian armed forces. Part (a) is, therefore, not applicable. The answer to part (b) is that no new naval construction program is currently being examined. However, long-range planning for new equipment requirements is continuing to take place. The answer to (b)(i) is that types of vessels being examined are destroyers, frigates, a general purpose surveillance and control ship capable of operating without icebreaker assistance, and submarines; In reply to (b)(ii) it is our intention to have as much as possible of any future design work and construction work carried out in Canada. The answer to (b)(iii) is that no contracts are currently being negotiated for ships of the type described in part (i) and, therefore, no date has been set for any announcement.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

DIRECTORSHIPS HELD BY CABINET MINISTERS

Question No. 19—**Mr. Knowles (Winnipeg North Centre):**

1. Are any Ministers who are members of the present Cabinet directors of any companies, corporations, etc. and, if so, which Ministers, of what companies or corporations are they directors and at what date were any directorships presently held by such Cabinet Ministers assumed?

2. Did any Ministers who are members of the present Cabinet resign any directorships on being sworn of the Privy Council and, if so, which Ministers, on what dates and from what companies or corporations?

Return tabled.

GRANTS FOR ESTABLISHMENT OF NEW INDUSTRIES

Question No. 52—**Mr. Diefenbaker:**

1. What is the amount, since July 1971, by province, that has been expended by all departments of government, in grants or other assistance, to Corporations, Partnerships, etc. to provide for the establishment of new industries or the expansion of already existing industries?

2. Have any recipients, since receiving aid or other assistance, gone into bankruptcy?

3. What are (a) the names and locations of such recipients (b) the amounts paid or granted to each of them, and the dates thereof (c) the respective dates of the Bankruptcy Orders of each of such recipients?

Return tabled.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE—PUBLICITY EXPENDITURES

Question No. 88—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Industry, Trade and Commerce on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

2. What were the names and addresses of firms or individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

DEPARTMENT OF NATIONAL DEFENCE RESEARCH, DEVELOPMENT AND CONSULTING SERVICES

Question No. 101—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Department of National Defence on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

REPORTS BY DR. E. ZEIGLER ON IMMIGRATION

Question No. 591—**Mr. Alexander:**

1. How many reports, preliminary, interim of otherwise have been received by the government from Dr. E. Zeigler, pursuant to a paper entitled "Background Objectives and methodology of the Longitudinal Study of the Economic and Social Adaptation of Immigrants" and (a) if received, how many and will they be made public (b) if not received, for what reason?

2. Have any studies been made since 1966 about the impact of immigration both on the supply and demand side of the economy and, if so (a) how many (b) on what dates were they completed (c) what were their titles (d) who prepared them (e) will they be made public?

3. Since 1966 have any studies been made by the government regarding the economic and social adjustment of immigrants and, if so (a) how many (b) on what dates were they completed (c) what were their titles (d) who prepared them (e) will they be made public?

4. Is information collected twice yearly (February and November) as an appendum to the Monthly Labour Force Survey pertaining to immigrants and, if so, is this information available to the public?

[Mr. Diefenbaker.]

5. What is the statistical breakdown of sponsored versus non-sponsored immigrants by occupation for Canada for the years 1966-71 inclusive?

Return tabled.

LIP GRANTS TO CONSTITUENTS OF NORTHUMBERLAND COUNTY

Question No. 786—**Mr. Lawrence:**

Who, or what organizations, resident or located in the County of Northumberland, in the Province of Ontario, received Local Initiatives Program grants in 1972, and what were their addresses, the purpose of the grants, and how much was paid to each?

Return tabled.

LIP PROJECTS IN COMPTON CONSTITUENCY

Question No. 807—**Mr. Latulippe:**

1. In the constituency of Compton, how many LIP projects were (a) submitted (b) accepted by the Department of Manpower and Immigration?

2. What were the names of projects (a) submitted (b) accepted?

Return tabled.

EAST AND WEST COAST FLOTILLAS—CANADIAN ARMED FORCES (SEA ELEMENT)

Question No. 1,278—**Mr. Rowland:**

1. (a) For the East and West Coast flotillas of the Canadian Armed Forces (Sea Element), what are the names of the ships in commission, their class and type (b) what are the names, class and type of ships undergoing refit?

2. What is the projected hull life for each of the vessels in question?

3. Which of the ships now have (a) full war time complement of personnel (b) full peace time complement (c) a complement adequate for taking the vessel to sea (d) a complement inadequate for taking the vessel to sea?

4. Is there existing a pool of officers and men capable of manning the DDH280 class of destroyers which are not now in commission or will manning the DDH280's involve withdrawing crew form other vessels in commission?

Return tabled.

[*Editor's Note: During the announcement of order paper questions to be answered.*]

Mr. Coates: Mr. Speaker, I rise on a question of privilege. I have had a number of questions standing on the order paper since the beginning of this session on January 4. Included in that group are questions Nos. 22, 24, 29, 30, 45 and 47. On Monday of this week I had the good fortune to have the Minister of National Health and Welfare produce for me answers to questions that were placed on the order paper a very short time ago. I congratulate the minister and the members of his department for their efficiency in producing answers to these questions.

I say to the President of the Privy Council that there is no reason that this House should not be made aware of the information I am seeking, especially since the information is factual. It may be embarrassing to the government, but the information is factual. In view of the fact that the government is a minority government, I submit that we have every right to know, for instance, how many

Grits have been put on the federal government's payroll since the date of the last election. They have no right to receive income from a government that should not even be in office today.

Some hon. Members: Hear, hear!

Mr. Coates: We are waiting for the information. We want it. I will be on my feet every day until answers to those questions are provided.

Mr. Hees: The government will not be there very long and we want the information quickly.

Mr. Forrestall: Mr. Speaker, I wonder if I might rise on a question of privilege based upon an order of the House made one month ago in connection with the production of papers involving the status of a third national park in Nova Scotia. As yet, the papers are not available to me from the table. I wonder if we might have some reaction from the minister's departmental people on this matter.

Mr. Reid: Mr. Speaker, I would be glad to look into that question, but I remind the hon. gentleman that production of papers of this kind requires the co-operation of another government and we must get their permission before we can lay them on the table.

• (1420)

[*Editor's Note: Following order paper questions.*]

Mr. Cossitt: Mr. Speaker, I rise on a point of order similar to the one I raised a few days ago with the parliamentary secretary on the same question, No. 819, which has been on the order paper for 43 days. The question concerns the hideous new tax form foisted on the Canadian people by the government. I do not understand why the government cannot answer this simple question with reference to the amount to be spent on advertising to explain this form to the Canadian people through the news media. In other words, how many thousands of dollars of the taxpayer's money are being spent in this manner? I think the people of Canada have a right to know how much this folly is costing. The last part of my question asks how much was paid to Fred Davis, that great tax expert, by the government to explain the impossible?

Mr. Speaker: Order, please.

MOTIONS FOR PAPERS

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 3, 189 and 195 are acceptable to the government.

[*Translation*]

Mr. Speaker: Is it the pleasure of the House that notices of motions Nos. 3, 189 and 195 be deemed to have been adopted?

Some hon. Members: Agreed.

[*English*]

CORRESPONDENCE RELATING TO 1973 AUTOMOBILE PRICES

Motion No. 3—**Mr. Broadbent:**

That an Order of the House do issue for a copy of all correspondence between the Minister of Industry, Trade and Commerce and the automobile manufacturing companies in relation to prices in the 1973 model year.

Motion agreed to.

CORRESPONDENCE TO MR. JEAN-PAUL L'ALLIER FROM HON. GÉRARD PELLETIER

Motion No. 189—**Mr. Nowlan:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the telegram of February 6, 1973 and the letters of February 9, 1973, May 31, 1972, March 15, 1972 and December 3, 1972 from the Honourable Gérard Pelletier to Mr. Jean-Paul L'Allier.

Motion agreed to.

U.N. SECOND INQUIRY ON POPULATION GROWTH AND DEVELOPMENT—CANADA'S FIRST REPLY

Motion No. 195—**Mr. Rowland:**

That an Order of the House do issue for a copy of Canada's first reply to the United Nations Second Inquiry on Population Growth and Development.

Motion agreed to.

Mr. Reid: Mr. Speaker, notice of motion No. 45 is acceptable to the government subject to the usual reservation concerning confidential documents.

[*Translation*]

Mr. Speaker: Subject to the reservations expressed by the parliamentary secretary, is it the pleasure of the House that motion No. 45 be deemed to have been adopted?

Motion agreed to.

[*English*]

COPY OF STUDIES RELATING TO DEVELOPMENT OF DEEP-SEA HARBOUR FACILITIES ON PACIFIC COAST

Motion No. 45—**Mr. Leggatt:**

That an Order of the House do issue for a copy of all studies, analyses, reports, made by, or under contract with, any agency, branch or department of government relating to the development of deep-sea harbour facilities on the Pacific coast.

Motion agreed to.

Mr. Reid: Mr. Speaker, notices of motions for the production of papers Nos. 190, 191 and 192 are acceptable to the government subject to the usual reservation concerning confidential documents and authorization of the government authorities concerned.

Motions for Papers

Mr. Speaker: Subject to the reservation expressed by the parliamentary secretary, is it the pleasure of the House that motions Nos. 190, 191 and 192 be deemed to have been adopted?

Some hon. Members: Agreed.

COPY OF COMPLETE MINUTES RELATING TO WINNIPEG RAIL STUDY

Motion No. 190—**Mr. Rowland:**

That an Order of the House do issue for a copy of the complete minutes of the Executive Committee of the (Manitoba) Transportation Co-ordinating Committee relating to the Winnipeg rail study.

Motion agreed to.

CORRESPONDENCE BETWEEN C.P.R. AND (MANITOBA) TRANSPORTATION CO-ORDINATING COMMITTEE

Motion No. 191—**Mr. Rowland:**

That an Order of the House do issue for a copy of all correspondence between Canadian Pacific Railway and the Chairman of the (Manitoba) Transportation Co-ordinating Committee.

Motion agreed to.

CORRESPONDENCE BETWEEN CHAIRMAN AND PRIME CONSULTANTS OF (MANITOBA) TRANSPORTATION CO-ORDINATING COMMITTEE

Motion No. 192—**Mr. Rowland:**

That an Order of the House do issue for a copy of all correspondence between the Chairman of the (Manitoba) Transportation Co-ordinating Committee and the prime consultants to the Committee.

Motion agreed to.

Mr. Reid: Mr. Speaker, would you be so kind as to call notices of motions Nos. 122, 123, 158 and 196.

COPY OF EVALUATION REPORT OF 1972 LOCAL INITIATIVES PROGRAM

Motion No. 122—**Mr. Leggatt:**

That an Order of the House do issue for a copy of the evaluation report of the 1972 Local Initiatives Program.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, this evaluation report is of a confidential nature and I would therefore ask the hon. member to withdraw his motion.

Mr. Leggatt: Mr. Speaker, I would ask for a vote.

Mr. Reid: Transfer for debate.

Mr. Speaker: Transferred for debate.

[Mr. Reid.]

EVALUATION REPORT OF 1972 OPPORTUNITIES FOR YOUTH PROGRAM

Motion No. 123—**Mr. Rose:**

That an Order of the House do issue for a copy of the evaluation report of the 1972 Opportunities for Youth Program.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, this evaluation report is of a confidential nature and I would therefore ask the hon. member to withdraw his motion.

Mr. Rose: Mr. Speaker, since I have had a copy of this document for about a month I will not insist on calling for a vote.

Mr. Speaker: Is the motion dropped?

Mr. Rose: Agreed.

Order discharged and motion withdrawn.

CORRESPONDENCE RELATING TO CLOSING OF UIC OFFICE, MONTMAGNY, QUEBEC

Motion No. 158—**Mr. Lambert (Bellechasse):**

That an Order of the House do issue for a copy of all correspondence, studies, memoranda and orders, etc., concerning the closing of the Unemployment Insurance Office in Montmagny, Quebec.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, it is to be noted that the Montmagny office was closed in 1968 and therefore the latest correspondence would occur at that time. The documents available are internal departmental memoranda and cannot be tabled. I would therefore ask the hon. member to withdraw his motion.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I would like this question transferred for debate.

Mr. Speaker: Transferred for debate.

[*English*]

TASK FORCE REPORT TO POST OFFICE DEPARTMENT

Motion No. 196—**Mr. McKenzie:**

That an Order of the House do issue for a copy of the task force report submitted in June, 1969 to the Post Office Department by Samson, Belair, Riddell, Stead Inc.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the transportation study requested in this motion is an internal working document and is therefore considered confidential. Under the circumstances, I would ask the hon. member to withdraw his motion.

Mr. McKenzie: Mr. Speaker, may I point out, with leave of the House, that I have a copy of the document and I would be only too pleased to present it to the minister for study and report.

Some hon. Members: Table it.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

Mr. MacDonald (Egmont): Mr. Speaker, I rise on a point of order pertaining to the whole question of the production of papers through which we have just gone. In view of the fact it became evident that two of the documents requested have already been available to members in spite of the government's assurance that they are confidential and not available, I wonder whether we can have some assurance from the government House leader, having in mind the discussion we had last week with respect to taking a hard look at guidelines respecting the production of papers, that this matter will be considered by the parliamentary committee so that this continued farce will not be allowed to go on indefinitely.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, my hon. friend's language is somewhat intemperate this afternoon—

Some hon. Members: Oh, oh!

Mr. MacEachen: —but I would like to advise him that I am giving some consideration to having the guidelines referred for examination to a committee of the House. In fact, I have already had a brief conversation with the distinguished chairman of the Joint Committee on Statutory Instruments, the hon. member for Fundy-Royal, with a view to having this particular set of criteria come under his objective gaze.

Mr. Howard: Mr.Speaker, I rise on a point of order with respect to notice of motion for the production of papers No. 123, relating to an evaluation report on the 1972 opportunities for youth program, which the parliamentary secretary said was confidential. The point of order I raise is that if that is the case, why was it distributed through the mails to all hon. members?

Mr. Nielsen: Mr. Speaker, I have a question of privilege as well. It may be a question which should be taken into consideration by the House. It is based on another slick attempt by the government to withhold information. I hold in my hand a list of reports and returns to be made to the House of Commons by public officers and private corporations under Standing Order 82(1). On page 24 of that publication, where one would normally find Polymer Corporation listed as being one of those corporations required to make a return, we find that it has been completely omitted. The Polymer Corporation is still, by virtue of the provisions of Standing Order 82 (1), required to report to parliament.

The Minister of Supply and Services (Mr. Goyer), who does not appear to be listening at the moment but who should be, is the minister through whom the Polymer Corporation reports to parliament. The annual return and the financial statements of that corporation should be on the table now. In the absence of an explanation by the Minister of Supply and Services of why that report, that financial information, is being withheld, one can only come to two conclusions: First, the government is deliberately concealing this information from members of the House and, second, that they have deliberately omitted including in a report which is published by the government a Crown corporation that is required by law to report to parliament.

Mr. Speaker: Oral questions.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

INQUIRY WHETHER BUDGET NOT MORE EXPANSIONARY BECAUSE OF ADVICE OF GOVERNOR OF BANK OF CANADA—DEMAND EXPANSION AS CAUSE OF INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Finance arising out of the report of the governor of the Bank of Canada and his warning about possible aggregate demand expanding too rapidly, too strongly, and thereby spurring inflation. I would like to ask the minister whether it was because of this sort of advice from the Bank of Canada that his budget was actually less expansionary, on a national accounts basis, than it was in 1972?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I based my budget on all the reasonable advice I could get throughout the country, and of course I took into account the views of the governor of the Bank of Canada. I might say to the hon. gentleman that if I were to take the advice of his two financial critics, or of whichever is the legitimate one for the moment, that deficit would have been doubled this year.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): That is one more than the government has.

Mr. Stanfield: Mr. Speaker, I am afraid that the minister was not listening to my question. I was seeking some explanation of why his budget was not more expansionary than it was, and both the financial gentleman to whom the minister referred recommended a more expansionary budget.

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister does not seem to be capable of understanding things these days.

Mr. Hees: That's no change from any other days.

Mr. Stanfield: I would like to ask the minister whether the government accepts the view expressed by the governor of the Bank of Canada in this report that expansion in demand constitutes a substantial threat of inflation, and that growth in aggregate demand is likely to be the principal cause of inflation during the ensuing year?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I made it clear on budget night that the deficit I recommended to the country and to parliament, involving a cash requirement of $2 billion, was about right, that it went to the

limits of what I believed was a responsible position, and that if I were to choose between unemployment and the risk of inflation I was willing at that time—I wish the hon. gentleman would refer to my words—to take the risk of inflation.

Mr. Stanfield: I wonder whether the $2 billion in cash requirements that the minister referred to for the next fiscal year is the $2 billion that he was going to give me information about, once he figured out how to do it, on orders of the day two or three days ago, or the $2 billion that he refused to break down in the public interest yesterday?

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Don Valley.

INCREASE IN MONEY SUPPLY SUFFICIENT TO SUSTAIN GROWTH

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Finance. In view of the theme running through the report of the governor of the Bank of Canada that there is a concern about excessive demand creating too much inflation in the economy, is the minister confident that the governor and the bank are going to increase the money supply sufficiently to sustain growth in the economy this coming year?

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker, I am.

Mr. Gillies: Under those conditions I would like to ask the minister why it is that during the last three months the rate of increase in the money supply has declined?

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman knows that the money supply will vary from month to month in accordance with the demand for loans. For instance, at this time last year the money supply was increasing at an annual rate of 24 per cent, and by the end of the year it was at an annual rate of 14 per cent. It varies from month to month, and the hon. gentleman ought to know that.

Some hon. Members: Hear, hear!

Mr. Gillies: Is the Minister of Finance aware that at the present time the liquidity position of the banks is at an almost all-time low?

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am also aware that the chartered banks tell me they have no difficulty in meeting the demand for loans.

Mr. Speaker: Order, please. The Chair will return to this important matter after completing the first round of questions. There are a number of distinguished frontbench members who want to ask supplementaries, and they will be given that opportunity in a moment.

[Mr. Turner (Ottawa-Carleton).]

CANADA DEVELOPMENT CORPORATION

NEGOTIATIONS WITH GOVERNMENT TO TAKE OVER GOVERNMENT'S SHARE OF PANARCTIC OILS LIMITED

Mr. Bill Knight (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of Finance relating to the Canada Development Corporation. In view of the fact the minister stated in the House yesterday that he would look into any negotiations between the corporation and the government respecting the sale of the 45 per cent equity the government has in Panarctic Oils Limited, is the minister now ready to tell us whether any negotiations in this area are being proceeded with and what their purpose is?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the chairman of the Canada Development Corporation has, of course, expressed public interest in acquiring shares of Panarctic, and I was talking to the chairman and president of the CDC this morning. The government has yet to give a response to that interest.

Mr. Knight: In view of the minister's statement, can he inform the House if the government is considering increasing its share in Panarctic from 45 per cent to 51 per cent?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the response to that question would more properly come from my colleague, the Minister of Indian Affairs and Northern Development, if, as and when that should happen.

POSSIBILITY OF CANCELLATION OF SALE OF POLYMER TO CORPORATION

Mr. Bill Knight (Assiniboia): Mr. Speaker, in view of that answer may I ask a related question concerning the Canada Development Corporation. In light of the decision in the Miscellaneous Estimates Committee involving Polymer Corporation, would the minister advise the House whether or not it is the intention to cancel the sale of Polymer to the Canada Development Corporation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it is my understanding that the sale of Polymer to the Canada Development Corporation is legal under Section 39(1) of the Canada Development Corporation Act, and that the sale cannot be rescinded. What action the government will take in response to that vote in the Miscellaneous Estimates Committee is something I would like to discuss with my colleague, the President of the Privy Council.

SALE OF POLYMER TO CORPORATION—PROVISION OF AUDITED STATEMENT FOR POLYMER

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a question to the Minister of Supply and Services. Has he yet received an audited statement of Polymer Corporation from the office of the Auditor General? If he has received that report, why has it not been tabled?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I have indeed received the Auditor

General's report, and I have asked my colleague, the Minister of Justice, to indicate what course I should follow if the sale does take place.

[*English*]

Mr. Nielsen: Mr. Speaker, the minister did not answer my question—

Mr. Stanfield: They never do.

Mr. Nielsen: —so I will direct it to the Minister of Finance in the hope we may get a direct answer from him.

Mr. Hees: There's not much hope of that.

Mr. Nielsen: Has the Canada Development Corporation received a copy of the audited statement of Polymer Corporation from the Auditor General and, if so, why has it not been tabled?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman knows it is very difficult to get indirectly what he was not able to get directly.

Some hon. Members: Hear, hear!

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege affecting the privileges of all hon. members of the House.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Nielsen: Under Standing Order 82(1) the government is required to table reports of Crown corporations. Polymer is still a Crown corporation, obliged by law to report to the Minister of Supply and Services. That report should be on the table. It is a flagrant breach of the privileges of the members of this House for the government to continue to fly deliberately in the teeth of the law. Surely the minister can at least answer whether he has received the statement and, if he has, tell us why it has not been tabled.

• (1440)

[*Translation*]

Mr. Goyer: Mr. Speaker, concerning the question of privilege, I trust that the legal opinion that the Minister of Justice will be giving me soon will be in line with what the hon. member has just said. If it is not, I think he will have shown that he is a very poor lawyer.

[*English*]

Mr. Speaker: Order, please. May we have order, please. The Chair recognizes the hon. member for Oshawa-Whitby on a point of order.

Mr. Broadbent: Mr. Speaker, my point of order will be put with as much delicacy as I can summon for the occasion. I am concerned about recognition of some members in this question period. In the past few days, indeed the past few weeks, the party on my right has led off the question period and then Mr. Speaker in his wisdom decided to recognize several supplementaries on their lead-off question. The New Democratic Party has then proceeded with its lead-off question with no supplementaries being recognized from this party and a shifting back to the Conservative party.

Some hon. Members: Hear, hear!

Mr. Broadbent: I ask you, Mr. Speaker, to give consideration to that today.

Mr. Speaker: The Chair fully intended to return to the hon. member for Oshawa-Whitby. The hon. member will recognize that on the first question a number of members to my left in the official opposition wanted to ask supplementaries. I thought I would try again this afternoon to reach members in the fourth, fifth and sixth rows where the hon. member for Oshawa-Whitby sits. I fully intend to return to him when we get to supplementaries in a moment after we have completed the first round of questions. That is why the Chair thought that at this point we should give an opportunity to the hon. member for Compton to ask his question.

[*Translation*]

I apologize to the hon. member for Compton, but the hon. Leader of the Official Opposition wishes to speak about the point of order.

[*English*]

Mr. Stanfield: I was going to say, Mr. Speaker, that I sympathize with your difficulty because it must be difficult to make up your mind whether the New Democratic Party is an opposition party.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lewis: On the same point of order, Mr. Speaker, I noted this morning that when it came to corporate tax concessions the Leader of the Opposition was in the Minister of Finance's bed with such alacrity that one could hardly see him jump.

Mr. Fairweather: Were you there, David?

An hon. Member: Did he push you out?

An hon. Member: A bedtime "Tory".

Mr. Speaker: Order, please. Perhaps the House might allow the hon. member for York South to come to the point of order. I really think we should then make an effort to continue with the question period because time is running out.

Mr. Lewis: Mr. Speaker, I appreciate your comment but you will forgive me if I suggest that it was applicable to others as well. I do not intend to sit here and listen—

Some hon. Members: Oh, oh!

Mr. Lewis: —to the Leader of the Opposition make his cracks. He said it was hard for you to make some decisions. The difference between you and the Leader of the Opposition is that you do make them.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

* * *

[*Translation*]

CONSUMER AFFAIRS

FOOD PRICE INCREASES—IMPLEMENTATION OF COMPENSATED DISCOUNT SYSTEM

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to direct a question to the Prime Minister.

In view of the unprecedented rise in food prices and the great difficulty some families are having in obtaining food products, would the Prime Minister tell us whether the government will introduce legislation to lower prices to the consumer by using compensated discounts on food, especially on meat and milk, which are essential to survival for Canadian families and the prices of which are rising steadily?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this question pertains to general policy and cannot be answered during the oral question period. I do, however, undertake to look into it with the ministers concerned.

Mr. Latulippe: I wish to ask a supplementary, Mr. Speaker.

Would the right hon. Prime Minister tell us if he intends to take any other steps likely to help reduce prices and benefit consumers in any way at all?

Mr. Trudeau: Mr. Speaker, I have no policy to announce today in this field.

* * *

[*English*]

FINANCE

REQUEST THAT GOVERNMENT INTERVENE TO PREVENT SUGGESTED INCREASE IN INTEREST RATES BY CHARTERED BANKS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. On Monday the minister advised the House that he would give very serious consideration to my suggestion that he contact the presidents of the chartered banks and point out to them the urgency of not raising interest rates at this time. Has the minister been in contact with these gentlemen in the last two days since he said that and, if so, what has been the result of those contacts?

Mr. Drury: That was worth waiting for.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have been in contact with the governor of the Bank of Canada.

Mr. Hees: As the minister in his answer makes it very clear that he is perfectly willing to stand by and do nothing while interest rates rise and the economy suffers, would he please take his portfolio seriously and do something on behalf of the economy?

Mr. Speaker: Order, please. The hon. member for Northumberland-Durham has a supplementary to the first question.

* * *

THE CANADIAN ECONOMY

FOOD PRICE INCREASES—MEASURES TO ALLEVIATE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary relating to the report of the Governor of the Bank of Canada yesterday is directed to the Prime Minister, especially in view of his reply a few moments ago to the hon. member for Compton. In view of the very clear warning of the governor of the Bank of Canada in relation to the sharp rise in food prices when he said that "this development poses a serious threat to wage and price behaviour generally", would the Prime Minister reconsider the answer he gave a few moments ago and indicate whether the government has in mind any other specific measures to alleviate the very great concern of those on lower incomes, especially in relation to food prices?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the two questions asked of me previously referred to the application of the Social Credit theory, but I do take note that the hon. member is asking me to consider them seriously.

Mr. Lawrence: My supplementary, Mr. Speaker, is again directed to the right hon. gentleman. I am asking him to take the warning of the governor of the Bank of Canada on this matter seriously. Has he any further suggestions to make to the House today and to the public generally about the prices situation in this country which is really causing concern?

Mr. Trudeau: Mr. Speaker, my first answer is I do and my second is no.

Mr. Speaker: The hon. member for Oshawa-Whitby has a supplementary to the second question asked this afternoon.

* * *

CANADA DEVELOPMENT CORPORATION

SALE OF POLYMER TO CORPORATION—REQUEST THAT GOVERNMENT RECONSIDER DECISION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my supplementary is to the Prime Minister and arises out of the answer given by the Minister of Finance to the hon. member for Assiniboia concerning the decision reached in the Miscellaneous Estimates Committee yesterday which was a clear indication that the majority of members of this House oppose the sale of Polymer Corporation to the Canada Development Corporation. In view of this clear expression of opposition to this course of action

on the part of the government, will the government reconsider its decision to sell Polymer Corporation to the Canada Development Corporation?

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have thought that the Minister of Finance dealt with that in quite a satisfactory way. The Canada Development Corporation Act, which was adopted by parliament by a strong majority, authorized this sale and it took place under that authority.

Mr. Broadbent: My supplementary question to the Prime Minister is combined policy and law. Notwithstanding the past decision of this parliament vis-à-vis the Canada Development Corporation and Polymer, is the Prime Minister saying that, if parliament decides that it has now changed its mind, action by the government cannot reflect the current view of parliament?

Mr. Speaker: The Prime Minister can reply to the hon. member's question, but it appears to me to be seeking a legal opinion. However, I appreciate that hon. members have an interest in this matter. The Prime Minister may reply.

Mr. Trudeau: Within the structure that you mentioned, Mr. Speaker, my opinion, and I believe it is pretty obvious, is that the vote yesterday did not and was not meant to invalidate the sale which legally took place between two entities in Canada.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order in view of the remarks of the Prime Minister with respect to the Canada Development Corporation legislation which he stated authorized the sale. The CDC legislation authorizes purchase. How can they sell Polymer when they did not have it in the first place? It is purchase.

BASIS OF SALE OF POLYMER TO CORPORATION

Mr. A. D. Hales (Wellington): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. If the government, through the Polymer Corporation, has not received an audited statement, on what basis will the sale be made?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the essence of the sale is that two parties agreed—

Some hon. Members: Oh, oh!

Mr. Trudeau: —to follow a certain line of conduct and they adhered to that. Certain conditions were imposed by both parties. We were in the process last night of trying to carry out one of those conditions. The Minister of Finance has indicated that he will discuss with the House leader whether further steps will be considered in carrying out that condition.

REQUEST FOR TABLING OF DETAILS OF APPRAISAL OF POLYMER FOR SALE TO CORPORATION

Mr. Don Blenkarn (Peel South): Mr. Speaker, I have a supplementary question to the Prime Minister. In view of the fact the government owns all the shares of the Canada Development Corporation and all the shares of Polymer, in view of the fact the sale was at $42 million less than book value, and as this has just come to the attention of the House, will the Prime Minister table the details of the appraisal indicating that the sale was at fair market value?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to look into this matter to reply in any detail, but I am informed there was an independent assessment and that was the basis of the sale price.

* * *

THE CANADIAN ECONOMY

FOOD PRICE INCREASES—SUGGESTED MEETING WITH PROVINCIAL FINANCE MINISTERS TO CONSIDER IMPLEMENTATION OF CONTINGENCY PLAN

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Finance. In view of the seriousness of rising food prices, the warning expressed by the governor of the Bank of Canada, and the now apparent failure of the special food prices committee to get to the bottom of the problem, will the minister now undertake, because of the seriousness of the situation, to meet with the provincial finance ministers with a view to implementing the government's contingency plan?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will be meeting with the provincial finance ministers in mid-April. The subject of prices might well be one of the subjects to come up. As to whether I would reveal any contingency plan, I rather doubt it.

Mr. McGrath: In order to expedite and make meaningful the work of the special committee on food prices, is the minister prepared to meet in camera with the committee to outline exactly the government's contingency plan?

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I understand that that question was already dealt with by my colleague, the Minister of Consumer and Corporate Affairs.

Some hon. Members: No.

Mr. Turner (Ottawa-Carleton): However, I want to tell the hon. member that any plans are merely contingency plans and would not be revealed by the government unless and until they were brought into effect.

Oral Questions

MANPOWER

LOCAL INITIATIVES PROGRAM—INQUIRY RESPECTING GRANT TO "CENTER EPIC", MONTREAL

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Minister of Manpower and Immigration. I believe it is one of importance regarding government policy. Can the minister indicate whether a LIP grant of $128,000 has been awarded to a group of Montreal businessmen to build a health centre called "Center Epic" to fight the unhealthy habits of over-eating, over-drinking, over-smoking and under-exercising? If that is the case, would the minister consider rescinding the grant?

Mr. Speaker: Order, please. A question of this nature should normally be placed on the order paper. If there is urgency, it can be considered at the time of adjournment.

Mr. Nystrom: Mr. Speaker, I rise on a point of order. I think this is an urgent question since some fat-cat businessmen in Montreal have been given a large grant under LIP. I think the minister owes it to the House to explain whether that grant has actually been made.

Mr. Speaker: That explanation can be given at ten o'clock. The hon. member for Trinity. Is the hon. member rising on a further point of order?

Mr. Nystrom: Yes, Mr. Speaker. I wonder if I can ask the minister a slightly different question relating to the same topic?

Mr. Speaker: Order, please. The Chair will recognize the hon. member immediately after the hon. member for Trinity.

[*Later:*]

Mr. Nystrom: Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. Will the minister provide the House with a list of LIP applications from the Montreal area that were turned down which were received from low-income or underprivileged people asking for such things as food distribution centres, job information centres and day-care centers? Were they turned down because these members of society have the unhealthy habit of undereating?

Mr. Speaker: Order, please.

* * *

FINANCE

REQUEST FOR REFERENCE OF REPORT OF BANK OF CANADA TO STANDING COMMITTEE

Hon. Paul Hellyer (Trinity): Mr. Speaker, I wish to pose a question to the Minister of Finance. Will the minister agree to refer the report of the Bank of Canada to the Standing Committee on Finance, Trade and Economic Affairs in order that the new governor may give the committee and discuss with the committee his views on the effectiveness of monetary and fiscal policies in protecting jobs and employment?

[Mr. Turner (Ottawa-Carleton).]

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the report of the Bank of Canada was tabled in the House yesterday. I understand the governor has been asked by the committee to appear before it and will be appearing before that committee.

An hon. Member: When?

Mr. Turner (Ottawa-Carleton): On Thursday morning.

* * *

NORTHERN AFFAIRS

INQUIRY AS TO NEW SECTION 58 OIL AND GAS REGULATIONS—SUBMISSION TO COMMITTEE BEFORE PROMULGATION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I wish to address my question to the Minister of Indian Affairs and Northern Development. In view of the importance to Canada of the 50 per cent of all oil and gas that reverts to the Crown under the present Canada oil and gas regulations, is the minister able to inform the House when the new section 58 will be ready?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are currently working on this problem, in collaboration with the Minister of Energy, Mines and Resources, and we hope soon to be in a position to announce a new policy or new legislation in this field.

[*English*]

Mr. Hamilton (Qu'Appelle-Moose Mountain): Will the minister consider in this review that has been going on since 1970 the proposal made by Mr. Charles Dunkley of the Independent Petroleum Association that gas be held by the federal government in kind rather than through royalty payments, and will these new regulations be submitted to the Standing Committee on National Resources and Public Works before promulgation?

• (1500)

[*Translation*]

Mr. Chrétien: Mr. Speaker, as Mr. Dunkley suggests, we are considering the possibility of preserving resources this way and when the legislation or the new regulations are drafted, we shall be obviously prepared to submit them to the committee for consideration.

* * *

SOCIAL SECURITY

PRESENTATION OF BILL RESPECTING GUARANTEED ANNUAL INCOME

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

Considering the fact that numerous people are living in poverty, and since the Senate special committee which had been instructed to inquire into poverty in Canada

tabled its report several months ago, can the minister tell this House whether he will draw from this report in order to introduce in this House a legislation aimed at establishing a guaranteed annual income scheme and if so, when shall this measure be introduced?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, of course I shall take the Senate report into consideration as well as all the other reports on social security that have been prepared either by parliamentary committees or by voluntary organizations in recent years. The Senate report will be only one of the documents that will be considered.

* * *

[*English*]

HOUSE OF COMMONS

REDISTRIBUTION OF RIDINGS—POSSIBLE GOVERNMENT ACTION—SUGGESTED INCREASE IN NUMBER OF MEMBERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I presume my questions should be directed to the President of the Privy Council. What is the present position of the government concerning the introduction of a redistribution measure this session? Can he give the House a picture of the present position of affairs?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, in reply to the right hon. gentleman I might mention to him that I have conducted some informal discussions with members of the opposition parties with respect to various approaches that might be commonly agreed upon in dealing with the question of redistribution. I must say that until now there has not been a sufficient consensus upon which to make a solid move. However, the matter is still under consideration by the government and if there is a possibility of reaching some common ground we would consider making a move.

Mr. Diefenbaker: Can the hon. gentleman say whether or not, regardless of any consensus with members of the opposition parties, the government intends to proceed with a redistribution measure this session, and whether it also intends to assure a floor on membership for those provinces that are losing their share of membership of this House?

Mr. MacEachen: One of the informal ideas considered was that an approach might be taken which would increase the membership of the House of Commons.

Mr. Diefenbaker: To what extent?

Mr. MacEachen: The purpose would be to protect the present representation of provinces within the House of Commons so that no province, including Saskatchewan, Nova Scotia, Manitoba and Newfoundland, would drop below its present representation. If this were the target, simultaneous adjustment would be required to ensure that the more rapidly growing provinces would be given commensurate representation. According to the original or tentative formula I was looking at, this would mean an increase in the membership of the House of Commons to 299.

I might make one further comment. At one time a member of the House of Commons represented, on the average, about 40,000 persons. Today, if no changes are made, the number of persons represented per member is in excess of 80,000. If the membership of the House were increased to 299, each member would still be representing, on the average, about 72,000 Canadians. Placed in this context, and in view of the rather rapid growth in Canada's population and the slow change in the membership of the House, it is not outlandish to consider some increase in the membership of the House of Commons. It is on this ground that I have conducted the discussions. The government is still receptive to that idea or to variations of it.

REDISTRIBUTION OF RIDINGS—CONTINUATION OF WORK OF PROVINCIAL COMMISSIONS

Right Hon. J. G. Diefenbaker (Prince Albert): In view of the apparent uncertainty about arriving at an agreement for the moment, and while there does not seem to be immediate danger of an election, as David and Goliath seem to have gotten together—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, this is the first time by his gesture the Prime Minister has proven he has a black belt. I would ask the minister in all seriousness whether or not the provincial commissions are to continue their meetings. Or has the government, because of the uncertainty of arriving at an arrangement along the lines the hon. gentleman outlined by which the House would have 299 members—I suggested 285—decided that these various commissions will not sit, because it will be love's labour lost if they continue to sit?

Mr. Speaker: Order, please. Perhaps the minister might reply briefly, but we have only a few minutes before the end of the question period.

Hon. Allan J. MacEachen (President of the Privy Council): I will attempt to reply as briefly as possible. I think there is another part of the same question which the House might consider, and that would be to permit the present commissions to conclude their work but to amend the Electoral Boundaries Readjustment Act in such a way as to provide that the next election might occur on the basis of the present boundaries. Mr. Speaker, I am afraid that if I went any further I would have to trespass further upon the time available.

[*Later:*]

REDISTRIBUTION OF RIDINGS—REQUEST FOR MEMBERSHIP FLOOR FOR NORTHERN ONTARIO AND NORTHERN QUEBEC

Mr. Arnold Peters (Timiskaming): Mr. Speaker, my question is supplementary to the one asked by the right hon. member for Prince Albert. In giving consideration to the proposal that he outlined, would the minister also give consideration to establishing a floor for northern Ontario and northern Quebec as separate identities?

Oral Questions

HARBOURS

LADNER B.C.—DATE OF COMMENCEMENT OF DREDGING

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Public Works. It relates to Ladner harbour. In his answer to me a couple of weeks ago he said the harbour would be dredged in April. Now the people in my riding are being told that dredging will not start until July. Will the minister please tell the House when this urgent dredging will take place?

Hon. Jean-Eudes Dubé (Minister of Public Works): I have said many times that the dredging will be carried out on April 15, and it will be carried out on April 15.

Some hon. Members: Hear, hear!

* * *

HOUSING

RESPONSE OF ONTARIO HOUSING CORPORATION TO REQUEST TO FREEZE RENTS ON SENIOR CITIZEN UNITS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of State for Urban Affairs arising from the minister's statement that he would write to the Ontario Housing Corporation asking the corporation to freeze rents on senior citizens housing units under its jurisdiction. Can the minister inform the House whether or not OHC has indicated it will not increase these rents?

Hon. Ron Basford (Minister of State for Urban Affairs): I have so written but I have not yet received a reply. Whether or not CMHC has received a reply at the official level, I will determine.

* * *

EXTERNAL AFFAIRS

POSSIBLE CANADIAN MEMBERSHIP IN INTER-AMERICAN INDIAN INSTITUTE—GOVERNMENT POSITION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the government's readiness, expressed in a policy statement in 1969, to seek membership in the Inter-American Indian Institute, and in view of the many delegations that have represented Canada as observers at meetings of that institute, when can the native people of Canada expect to be able to participate in an exchange of ideas of common interest with other native people of America?

Hon. Mitchell Sharp (Secretary of State for External Affairs): That is a serious question, Mr. Speaker, and I should like to take it as notice.

[Mr. Peters.]

CANADIAN BROADCASTING CORPORATION

TELEVISION PROGRAMS FOR INDIANS AND ESKIMOS—CONSULTATION WITH NATIVE PEOPLE

Mr. Keith Taylor (Churchill): Mr. Speaker, my question is for the Secretary of State. In view of the application made by the CBC for permission to bring television to the Indians and Eskimo of northern Quebec, and since no programs will be in Eskimo or Cree, can the minister tell the House why the CBC did not consult the Indians and the Innuit of northern Quebec who had offered advice on programming, and will he assure the House that consultation will take place in the future?

Hon. James Hugh Faulkner (Secretary of State): My impression is that consultation is going on at the present time. However, I should like to check so as to be absolutely sure.

* * *

• (1510)

PUBLIC SERVICE

ALLEGED DELAY IN PENSION CHEQUES FOR RETIRING EMPLOYEES OF DEPARTMENT OF NATIONAL DEFENCE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the President of the Treasury Board. For some months now there have been undue delays in getting pension cheques out to civilian employees of the Department of National Defence. Would the minister undertake to look seriously at the problem of delays, extending up to five or six months, before commencement of legitimate pension payments to retiring employees? I would point out to the minister that many of these people have to resort to welfare.

Mr. Speaker: Order, please.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I would be glad to look into this question.

Mr. Speaker: I believe the hon. member for Timiskaming has a supplementary to the previous question.

* * *

STATISTICS CANADA

POSSIBLE CHANGE IN CALCULATION OF INDICES FOR CONSUMER PRICES, INDUSTRY SELLING PRICES AND WHOLESALE PRICES

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Have the minister or any of his officials yet made any contact, formal or informal, with the director of Statistics Canada with a view to modifying the basis of procedures used to calculate the consumer price index, the industry selling price index and the general wholesale price index?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have had no discussion with the chief statistician on that question.

* *

AUDITOR GENERAL

REQUEST THAT OFFICE BE FILLED IMMEDIATELY ON RETIREMENT OF PRESENT HOLDER

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Prime Minister. If my memory serves me right, today marks the date of retirement of the Auditor General, a respected officer responsible to this House. Could the Prime Minister advise what steps are being taken to see that there is no break in continuity in that office, and that the Auditor General is responsible to parliament and not to the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we intend to see that this post is filled by a very honourable and capable person very soon.

* * *

UNEMPLOYMENT INSURANCE

INQUIRY AS TO REPORT OF ADVISORY COMMITTEE ON ALLEGED ABUSES—REQUEST FOR TABLING

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. He will recall that a few days ago he indicated that the subject of reported abuses under the Unemployment Insurance Act would be studied by the unemployment insurance advisory committee. May I ask the minister whether he has yet received the report of that committee. If so, will he now table it? If not, when he does receive it will he table it in the House forthwith?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have not yet received the report. I have been in verbal communication with the chairman and I understand that their deliberations are proceeding. It is certainly my intention to reveal the details of their recommendations.

* * *

ADMINISTRATION OF JUSTICE

POSSIBLE REFORM OF BAIL AND PAROLE PROCEDURES IN VIEW OF RECENT CRIMES OF VIOLENCE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I have a question for the Minister of Justice. In view of the fact that yesterday I received no answer to my question regarding an immediate change in the Bail Reform Act I will try to simplify my question, which concerns the safety and well-being of all Canadians. I hope the minister will not feel insulted and will answer. Could the minister tell the House whether, in view of further recent murders of innocent Canadians, he and his department are planning any improvements to the Bail Reform Act in order to assure the Canadian public of improved safety and well-being? If no improvements are being considered at this time, why is this so?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am happy to try to give an answer to the hon. gentleman now that he has asked a question that is really in order.

Some hon. Members: Oh, oh!

Mr. Lang: I made it clear before to the House that the government stands ready to make such changes as may be required by the operation of the bail law, which is recognized by the Attorneys General across this land in all provinces as being a distinct improvement over the previous law. We may be bringing forward some small and very technical changes to the law. My problem with the hon. member's question is that there is no relationship between the question of people being at large under the current law as against their being at large under the previous law so far as danger to the public is concerned. The current law very adequately allows for the protection of the public, if that is seen to be necessary. The only alternative which the hon. gentleman might suggest is the detention in prison of everyone suspected of an offence, and I will not go along with any such suggestion.

CONSULTATIONS ON BAIL LAW WITH CROWN ATTORNEYS AND POLICE OFFICERS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I ask the Minister of Justice a supplementary question. In light of the fact his statement reveals that he thinks the present law serves Canadians better, and there have been statements by the law commission to that effect, would he discuss the matter with the Attorneys General of the various provinces so that proper instructions would go out to the various Crown counsel and police officers to ensure that the discretion that is necessary under the act is properly exercised. This might solve the problem and prevent murders such as occurred over the weekend in Ottawa.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I informed hon. members about, I think, two months ago that I had written to all Attorneys General drawing their attention to the need for appropriate instructions to be given police officers and prosecutors, not with the suggestion that anything was badly handled but simply to reinforce the very valuable portions of the law. I think I have now had replies from all Attorneys General basically thanking me for the suggestion and indicating to me the steps that they are taking to see that the rules are indeed being properly handled.

I think there was only one suggestion regarding a very small technical change, but the consensus was that, with experience, situations can in fact be properly handled. The point that hon. members seem sometimes to miss is that under any law, except one that keeps almost every suspect in prison, people will be on bail, and indeed the hardened criminals would be most likely released under a cash bail system, such as the old bail system. So it is not the changes in the law that have caused the problem, and

any suggestion that it is, is really doing a disservice to the continued development of the law.

Mr. Speaker: Order, please. There are a number of members seeking to ask supplementaries on the subject and we have gone beyond the question period. Perhaps the Chair might be allowed to recognize the hon. member for Malpeque who has been waiting to ask a question, after which I will call orders of the day.

Mr. MacLean: Mr. Speaker, I regret that the target of my question is not here today, so I will hold it.

Mr. Speaker: Orders of the day. Is the hon. member for Humber-St. George's-St. Barbe rising on a point of order?

* * *

FISHERIES

PRESENCE OF FOREIGN DRAGGERS WITHIN 12 MILES OF NEWFOUNDLAND COAST—REQUEST FOR ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I hesitate to delay the proceedings, but in view of the emergency situation in my province where draggers of French, Portuguese and Spanish origin are violating Canadian fishing regulations and fishing off the west coast of Newfoundland, I wonder whether the minister would advise the House what action his department is taking to correct this situation, which is resulting in our fishermen losing their livelihoods?

Mr. Speaker: I appreciate that the matter is urgent, as the hon. member suggests, but I think I have been lenient in allowing, to the extent I can, additional questions. However, if there is agreement certainly the Chair would have no objection to the minister being allowed to reply to the question.

Some hon. Members: Agreed.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the area in which these incidents are alleged to have taken place is relatively small. We have two large patrol vessels there and three Canadian trawlers have in fact been taken in for violating our limits. There are no foreign vessels in that area at the present time, and there is no evidence whatsoever that any foreign vessel has abridged any of our regulations.

Mr. Speaker: Orders of the day.

[Mr. Lang.]

GOVERNMENT ORDERS

NATIONAL HOUSING ACT

PROVISIONS RESPECTING NEIGHBOURHOOD IMPROVEMENT, REHABILITATION, OWNERSHIP, NEW COMMUNITIES, ETC.

The House resumed, from Monday, March 19, consideration of the motion of Mr. Basford that Bill C-133, to amend the National Housing Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: I believe that the hon. member for Calgary North seeks the floor on a point of order.

Mr. Woolliams: Yes, Mr. Speaker. I was approached a moment ago by the whip of the NDP with reference to speakers. It is true that the hon. member for Northwest Territories was called just at the adjournment and only had a few minutes. In light of this—and we are agreed to this—I was wondering whether you would call the hon. member for Scarborough West.

Mr. Speaker: The Chair has, of course, no objection to calling the hon. member for Scarborough West, who seems to be prepared to speak at this point.

• (1520)

[*Translation*]

Mr. John Harney (Scarborough West): Mr. Speaker, I should like to thank the hon. member for Calgary North (Mr. Woolliams) for his generosity in allowing me to speak today.

[*English*]

There have been, over the past few weeks, questions addressed to the Minister of State for Urban Affairs (Mr. Basford) relating to the effects of rent increases in various public and subsidized housing projects. This question has arisen, apparently, as a result of the announced increase in the old age pension, and I should like to pursue this matter briefly this afternoon, particularly since these increases in rents are justified under some of the provisions of the National Housing Act. I have been looking through the act trying to find these provisions. I know they are there, although I have not been able to find them all. I know that section 15 provides for CMHC to approve increases in rents in cases where the cost of maintaining buildings built directly by CMHC or with CMHC approved money have risen.

We, in this corner of the House, have addressed a number of questions to the Minister of State for Urban Affairs relating to this matter, and we have received a number of answers. This afternoon I should like to go into that subject again briefly, to see if we can obtain anything like a complete picture as to what is happening in that sector. Obviously, a considerable number of our senior citizens are being sorely affected by these increases in rents, and others are feeling insecure indeed, because they feel their turn may come at any time. It is important to raise this point, because a good number of people are beginning to question the generosity and, indeed, the

integrity of the state, inasmuch as the federal government offers an increase in pensions on the one hand, and provincial or municipal governments take much of these pension increases away in rent increases on the other hand.

As I suggested a moment ago, we have asked the government some questions on this, and have received a fair number of answers. I do not say that those answers are in contradiction to one another; at the same time, they do not give us a complete picture. One answer is to this effect: that the minister has ordered that there be no rent increases in CMHC owned buildings as a result of the increase in the old age pension; in other words, that the rents in CMHC owned buildings will be frozen for a period of time. This is all very good, Mr. Speaker, but we have experienced difficulty in finding out how many buildings are directly owned or controlled by CMHC. Central Mortgage and Housing itself is not directly a landlord in many projects housing senior citizens in this country. So far as I can tell, CMHC is the landlord in those cases where it has received into its hands properties and houses whose owners have fallen into default on mortgage payments. As it has those houses in receivership it is, in effect, the landlord. I do not think many senior citizens inhabit those houses. I also understand that CMHC is either the landlord or in direct control of a number of buildings in the far north, in the Northwest Territories. I also understand that the only project CMHC controls directly as owner is Habitat in Montreal. How many senior citizens live in Habitat? So, it does not appear as if the minister's statement to the effect that rents in CMHC owned or controlled buildings will be frozen amounts to very much.

There is another category of project about which we have asked questions, and so far we have received, truly speaking, no direct and satisfactory answer. I am speaking of what are called limited dividend projects. In several cities of Canada, certainly in the metropolis of Toronto from where I come these days, there are a number of limited dividend projects. The residents of those limited dividend projects have received notices saying that, because their incomes have gone up, the leases which they signed in good faith will be effectively and, I am sorry to say, legally broken by the landlord because CMHC has approved increases in rents. I think we should look at these particular cases, not simply because this is a matter of concern right now in relation to increases in the old age pension, but also because the approach taken to tenants who sign leases in limited dividend projects effectively makes second class citizens of them.

When individuals in this country sign a lease with a landlord for the rental of a piece of property for a period of time, they undertake to pay a certain amount of rent and the landlord undertakes to permit them to use that property for the stated rent. It is, indeed, a rare lease in the private sector which contains a clause saying that at any given time the landlord, if his costs have gone up, may reopen that lease and stipulate another rent. This, effectively, is what is happening in many limited dividend projects in the country. Standard forms of lease are used which contain a clause which says very simply that if CMHC approval is given, the rent stipulated in the previous clause will not apply and rents in the project in question can be raised.

In certain provinces of the country, certain standard forms of lease apply to people who lease in the private sector. Why should we not let the standard form of lease apply to people who live in houses that are financed by the public sector. I appeal to the minister to review those sections of the act under which such practices have been allowed, because I consider them an abuse, if not of the letter, of the spirit of the act. Surely, when we house people in limited dividend projects, and, by the way, we are not doing them any enormous favour since we are not subsidizing their rents massively, we should give them their full rights as citizens of this country. If they sign leases they should be able to live in the premises during the periods of those leases without being harassed by landlords and living under the threat that rents may go up.

I realize many members of this House know the value of a contract and the value of a lease. It is because they appreciate the value of a lease and of a contract that I wish to bring forward my next example of a matter that concerns me. In the city of Toronto, indeed, I am sure this applies to every city in this country, there are projects which are run by municipal authorities. In Toronto there is, in particular, The Metropolitan Toronto Housing Company Limited. Recently, that company has been sending out notices to its tenants advising them that, because of the increase in old age pensions, their rents will be reviewed. I should like to put on record a sample letter. Many similar copies have been sent. The one in my hand, signed by the Director of Housing, is sent from City Hall, Toronto and dated March, 1973. It reads:

> Owing to announced increases in Old Age Security Pensions effective April 1, 1973, it would appear that your income may require an increase in rent, in accordance with the terms of your lease and in accordance with our agreement with Central Mortgage and Housing Corporation.

• (1530)

So, at least in the view of the Metropolitan Toronto Housing Company, in accordance with the agreement it has with CMHC, it can cause a review and arrive at a decision.

> For your convenience we have arranged for staff to be available in your building to take an up-to-date financial declaration on Monday, March 26th.
>
> The staff will visit you in your apartment and I would appreciate you arranging to remain home on the above date to complete the statutory declaration.

You know, Mr. Speaker, if these people were living in standard, private housing, in no way would the landlord be able to send them a letter of this kind saying that they should stay home all day on Monday until he comes around to interview them. But, this is customary in what is, in effect, subsidized housing. They are in effect commanded to stay around all day until the interviewers come around. I have a letter from a person who was asked to stay at home for one of these interviews. She states;

> These constant interviews are terribly worrying to the people in these buildings.

I remind you, Mr. Speaker, that these instances we are speaking of involve senior citizens.

If we could have say a hard and fast two year lease, it would allow people to settle down with a feeling of more stability. After all, we are not going to live for another 100 years.

That is an extremely important point for anyone, but particularly for senior citizens who feel that because of the nature of the accommodation in which they find themselves they are most insecure. They are simply asking, not for a gift, but for some assurance that the contracts they enter into will be binding for a year or, as she suggests here and which I support, for a period of two years at least.

I am reminded now of another consideration of the same kind. I refer to how we approach people who live in these projects which are geared to income. I have only taken up one type of project so far. There are others which operate more directly under the provincial housing corporations. I, of course, am more familiar with what is going on in respect of the Ontario Housing Corporation. A while ago the minister said that he has not had an official reply from the minister in the province of Ontario to the letter he sent the other day asking for a freeze on rent scales. Mind you, we know there has been an unofficial answer and that Mr. Grossman said last week the Minister of State for Urban Affairs was simply playing politics with housing. It may be that Mr. Grossman knows whereof he speaks, but at any rate he gave an answer which indicates that the OHC had not raised rents and did not even do so the last time there was an increase in old age pensions. It is an interesting shell game we have going on here.

There is in Sault Ste. Marie, for example, an authority called the Sault Ste. Marie Housing Authority which has been sending out notices of rent increases to old age pensioners because their pensions have been increased. We could say this is a project of a limited dividend nature and they are therefore operating under section 15 of the National Housing Act. However, if we look a little further we find that the people in this project who complain about rent increases receive letters from the Ontario Housing Corporation to this effect:

I aknowledge and thank you for your letter of February 3, 1973 concerning the increase in your monthly rent. I have investigated this matter with the Sault Ste. Marie Housing Authority and I find that they have acted in accordance with the procedures set in the provincial rent scale and your rent was computed directly as stated. However, if you are still in doubt I suggest that you contact the manager of the Sault Ste. Marie Housing Authority who will I am sure explain in detail how he arrives at the increase.

This letter is signed by the area manager of the Northern Branch of the Ontario Housing Corporation. So, what exactly is happening here? It is all very well for the minister to say, as if he were reporting a fiat, that we at the federal level have commanded that there shall be no rent increases in CMHC controlled or owned buildings, but in effect this amounts to nothing. It is all very well for the minister to say that he has written to all provincial ministers asking them to freeze all rent scales, but even when the rent scales are frozen people are still being forced to go up within the scales. We have announcements from the various provincial ministers to the effect that the minister at the federal level does not know what he is talking about because their authorities have not increased rents and yet, on the other hand, we have evidence that various aspects of these housing authorities have increased rents.

I understand that some of the municipal housing authorities are, in effect, providing housing subsidies, which bring up another problem. If they do not increase rents their costs go up and, in effect, they will be handing out more subsidies to their tenants because rents will remain at the same level. I have more correspondence from another municipal authority. This is from the Metropolitan Toronto Housing Authority. It is a letter to one of the Toronto aldermen explaining why there must be an increase in rents. The letter reads:

What is essential to remember, however, is that the geared-to-income basis is part of a formal agreement with CMHC which requires us to make these adjustments.

Note the words, "which requires us to make these adjustments".

We would, therefore, be reporting to the Board of Directors on the consequences of the action which we will take and I would assume the information provided to the Board of Directors would also come to the Social Services and Housing Committee.

The important part of this communication is that this authority, the Metropolitan Toronto Housing Authority, feels required under the agreements they have with CMHC to make these upward adjustments. It would be appreciated if, first of all, in his response to the very important points made in this House in respect of these amendments to the National Housing Act the minsiter would make a full and complete statement concerning the impact and significance of his interventions on behalf of the senior citizens of this country, interventions which we were led to believe were made about some kind of control and freeze on rents. Secondly, I wonder whether the minister would be willing to countenance further amendments to the act which would clear up the intent of the act, this preventing this kind of abuse because there is no question that there are abuses.

I cite again for his consideration the example of the limited dividend projects which are very faintly subsidized by the public. Hon. members know that the rents in limited dividend projects are not much less than the rents in the private market place. Because of the fact the government has a few dollars involved in this, we insist that these tenants not be treated as second-class citizens. They should have a lease which would give them security for a year or for two years. Surely we can review this aspect of the act and write into it language which will prevent this kind of abuse and distortion.

Third, if the minister is serious about having a rent freeze in respect of projects for which there already exist formal binding agreements between CMHC and the various housing authorities at the municipal level in this country, then he must also be prepared to help in respect of the kind of burden that is involved in the added subsidy. I am sure it will be possible for the minister, under section 44 of the Act, to make funds available under the NHA to compensate the various housing authorities for the increased subsidy these authorities will have to pay if they are to comply with the request of the minister not to increase rents. In my case, I would like to see the Metropolitan Toronto Housing Authority compensated.

• (1540)

I would like to conclude my remarks by simply reiterating my appeal, first of all, for a full and complete statement of what the effects of the various requests made of the minister with regard to freezing rents would be so that we can get a complete picture of exactly what this involves. When we are told that CMHC has fixed the rents of Habitat in Montreal, in effect, we are being told that virtually nothing has been done for the senior citizens in this country. Second, I will repeat my appeal to look at those aspects of the act under which certain abuses, particularly to senior citizens, have been caused in this country.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, it is a pleasure to participate in the debate on Bill C-133 which puts forward the government's panacea to Canada's housing problems. In fairness, I suppose, I should really call this bill a partial panacea because the Minister of State for Urban Affairs (Mr. Basford) has said that this bill is just part of some sort of vast, comprehensive plan which, he implies, will end Canada's housing problems once and for all. I for one, and I am sure all Canadians, would like to see this plan and would like to have the minister present this blueprint for urban bliss, or even some tangible evidence that such a blueprint exists because, on the evidence so far available, I think there is good reason to be highly sceptical that such a blueprint or such a plan exists.

Certainly, this bill before us gives me no confidence that its sponsors are aware of the root problems which are causing millions of Canadians to continue to live in less than adequate housing, and certainly there is no evidence that this bill's sponsors have developed a surefire plan, a strategy, let alone some legislation which, when implemented, will ensure that every Canadian, if he desires, will be able, at some time in his life, to purchase a home with a landscape and with room to live, not just to exist or just to sleep and eat. One does not have to be a trained social scientist nor even particularly observant, to see the effects upon an individual or a family of being forced to live in housing which provides just shelter and nothing else.

In my constituency of Calgary Centre, which consists of the central core of a large and rapidly growing urban centre, there are unfortunately thousands of examples of the tragic situation which I am convinced results from improper housing, among other things. It is obvious to me that every social problem conceivable, from alcoholism to child beating and from family breakdown to juvenile delinquency, is exacerbated by improper housing. Here, I include all the factors such as living space, open land, noise, traffic, dirt and population density. That is why my party and I consider the area of housing and urban affairs to be of paramount importance, and that is why we are so dissappointed in this bill.

My colleague, the hon. member for Calgary North (Mr. Woolliams) has accurately described this bill as a "band-aid bill". It will provide some comfort in some areas, and therefore we will support it, but it will not cure the problem any more than a bandaid will cure internal injury or disease. What we have in this bill is a continuation of the practice of this government over far too many years of proposing ad hoc solutions to treat problems affecting a complex system, but perceived by the government as isolated, independent problems.

In September of 1971 the Science Council of Canada published its fourteenth report entitled "Cities for Tomorrow" in which they make several, I believe nine in all, recommendations for ways in which the federal government can make our cities more liveable for people. But the fundamental point made by this report, which the government does not seem to appreciate, is that the city is a system or, in simpler terms, everything relates to everything else. It is on this basis that my colleagues and I form our main criticism of this bill, and indeed of this government.

The problems of housing and of urban affairs must be considered simultaneously, in concert with each other, for they are all part of a system and require a system's approach or, as my colleague, the hon. member for York-Simcoe (Mr. Stevens) stated, a massive approach on all sectors of the problems. The ad hoc or bandaid approach in this bill, though completely consistent with the ad hoc approaches of this government to all of our important national problems, will unfortunately not cure Canada's housing problems and, in fact, will not even significantly alter the continuing trend under this Trudeau government of deteriorating housing situations in Canada, let alone alter the deteriorating urban problems in general. With each passing day more and more Canadians are removed from the ranks of those who can afford a house of their own. This bill will not alter that trend significantly. That is the tragedy of this bill and, indeed, of this government. The young people in my riding and throughout Canada will continue to be disappointed and will have to wait that much longer before the Stanfield government takes office and cures this deplorable situation. They have, amongst others, the NDP to thank for that delay.

The main problem in housing today is that costs have risen to such a degree that very few people can afford to buy their own houses. On a national average, less than 10 per cent of Canadian families can afford to buy an NHA home. That compares to nearly 50 per cent 12 years ago. That is the fundamental problem, and this bill will not help.

An hon. Member: Neither will the Tories.

Mr. Andre: In fact, the only portion of this bill that really directs itself toward this fundamental problem is that pertaining to land banking. However, I am afraid this scheme, which is intended to reduce the cost of land, will not have that effect and indeed, in the short term, will probably have the opposite effect. After all, you do not have to be an expert to realize that the introduction of a large scale buyer into an already restricted or short-supply market is bound to increase prices, not decrease them. Perhaps in 10 years municipal governments will be in a position to reduce speculative land increase by releasing publicly held lands for residential dwellings, but in the meantime land prices will continue to skyrocket.

What is needed is great increases in the supply of serviced land, which really means massive increases in servicing. This bill does not provide the municipalities with

the inducement or means to construct the large scale transportation and service corridors that are necessary. Raw land is expensive because serviced land is expensive, and serviced land is expensive because developers must build all the roads, services, etc. for their development, plus provide the capacity to handle developments that will take place farther out. Developers must pay for these services because municipalities lack the resources or tax base to put them in themselves. That indicates what the thrust should be to truly reduce land costs now, not some time in the future.

We should supply the funds or help the municipalities through low interest loans to service large tracts of raw land. That will reduce the price of residential lots and of raw land. That will help Canadians buy a house of their own. It will reduce the cost of housing in general now, not some ten years in the future. But the rising cost of land is not the only factor which is causing house prices to rise at the rate they are. In fact, I am not sure it is the main factor. Based on my observations and my discussions with home builders and home buyers, the most expensive aspect of buying a home today is the cost of mortgage money. Since the Trudeau government took office, the cost of mortgage money has risen from less than 7 per cent to more than 9 per cent. As my colleague, the hon. member for York-Simcoe pointed out, since 1961 the cost of the average house has almost doubled, but when you add financing charges, the cost has almost tripled.

This problem, which is clearly the most important item or cause of increased housing costs, is not even alluded to in this bill. You would think the minister might at least have provided a bandaid for this sore if he lacks the wherewithal to devise a cure. Perhaps it is time that long-term mortgage capital was removed from the general money market manipulations so that the Minister of Finance (Mr. Turner) and the Bank of Canada can no longer use these interest rates in their inane attempts to cure inflation, recession, or whatever. Most countries of the world do a far better job than Canada in arranging for a ready supply of reasonably priced mortgages for the housing markets.

We, in Canada, not only do nothing to ensure a stable supply of low cost mortgage funds, but in fact use this money supply, and the housing and construction sector in general, as the main tool in accelerating and decelerating the economy. This has led to a very fragmented and inefficient housing industry. Many of the home builders in Calgary are just now recovering from the Trudeau government's tight money policy, that is, those who survived at all. And those who did survive are very apprehensive and concerned about what other inane moves the government might make, and thus are protecting themselves in a way that is itself causing increased housing costs. Who can blame them? With this government in charge no one can be faulted for not being willing to invest heavily in developing extensive land holdings. A large inventory of serviced lots is not an asset in a tight money situation.

• (1550)

That, Sir, is the essence of the measures the government should be introducing to reduce housing costs. It should be working to reduce the interest on mortgage loans, and to remove mortgage financing from the "boom or bust" manipulations of the Department of Finance and the Bank of Canada.

Another factor which is a major contributor to the high cost of urban housing, is municipal taxes and municipal financing. There is nothing in this bill, nor in any announced government program, that addresses itself to this problem. Most people, when considering the purchase of a new home are, from a financial point of view, interested in two things, the down payment and the monthly payments, consisting of principal, interest and taxes. The payment on the principal is usually trivial in comparison with the other two. With 80 per cent of our population soon to be dwelling in a few urban centres, it is clear that the responsibilities and financial obligations of the cities will not be decreasing. They require, and will continue to require large amounts of money. If their main source is to remain the revenue that comes from property tax, then these taxes will remain high, and will remain a significant obstacle to home ownership for millions of Canadians.

Notwithstanding constitutional considerations, there are lots of things the federal government could have considered doing to help in this area as well. Here again, we might have expected the government at least to offer a bandaid, or some small relief, if not a cure.

There is of course another very significant factor in the cost of housing which neither the bill nor the government has considered. I refer to the increased cost in building the house itself. Granted that these increased costs may be tied in an integral way to the whole inflationary spiral, with which this inept tragedy of a government has been struggling unsuccessfully for too long, but there are things which could have been done to reduce housing costs. If the Minister of Urban Affairs is truly concerned about the cost of housing, why did he not prevail on his colleague, the Minister of Finance, to adopt even more of the Progressive Conservative platform and remove the 11 per cent sales tax on building materials?

If the government was genuinely committed to a policy of good and proper housing for all Canadians, it would have removed this 11 per cent sales tax. A Stanfield government will remove this tax, because a Stanfield government will be committed to a policy of providing Canadians with the opportunity to own their own homes, with a yard, with some room to live, and a neighbourhood that is liveable. We are committed to providing housing at reasonable cost for all Canadians.

I do not think the government holds these types of objectives in very high esteem, and certainly not this minister. On March 6, 1973, I asked the minister whether his department was aware of and was investigating the tremendous increases that are occurring in the cost of lumber, in some cases by as much as 100 per cent in the last year. He referred me to the Minister of Finance. I would think that a minister responsible for housing at least would be aware of the factors or elements contributing to the tremendous increase in housing costs.

There is nothing in this bill, nor in any government policies or actions that could lead one to believe that they will reduce the cost of housing, or even abate the present trends. As I have indicated, the main factors in the increased housing costs are interest rates, shortage of serviced land, municipal taxes, federal taxes and fiscal

policies, and building construction and material costs. This bill only addresses itself to one of these factors, and in a way that will have marginal, if any, beneficial effect, and none in the short term.

In the time I have left, I want to mention briefly some other aspects of the bill. By and large these are good measures, although I repeat they are no panacea for the problems they purport to cure. I am especially pleased that the government has decided to support the restoration rather than destruction of old neighbourhoods. Many of the neighbourhoods in my constituency could use this type of assistance. Certainly, the people living there would welcome the relief of no longer having to fear the bulldozer. Too often in the past people living in older neighbourhoods, many of whom have raised their families there, and who wanted to spend the remainder of their lives there, were disregarded, or forcibly moved, or had to witness the destruction of their familiar surroundings under the guise of progress or urban renewal. I hope that these items in the bill reflect a sincere change of heart on the part of the government, and that we can now consider the restoration of neighbourhoods and of houses as the most desirable form of renewal.

On Monday night my colleague, the hon. member for St. Paul's (Mr. Atkey), directed most of his speech toward this aspect of Bill C-133, and I will not repeat the reasoned arguments he presented, except to re-emphasize the dangers of excessive centralization in the administration of this bill. I hope the minister will consider this point most carefully, since it may well determine the degree to which items like this in the bill have or do not have the desired beneficial consequences.

I would like also to state that the increased protection for home buyers is a welcome item, although it should be extended to more than just NHA secured mortgages. It is my understanding that since private mortgage insuring companies have entered this market, the percentage of NHA insured mortgages has decreased significantly, so much so that CMHC is now considerably over-staffed. Perhaps that is another reason we have not been able to get the CMHC annual report! However, the main point, as it relates to this legislation, is that the majority of new homes will not be covered.

Lastly, Mr. Speaker, in dealing with the question of research and development, this item was one of the recommendations in the Science Council's report to which I referred earlier. I am glad to see that this recommendation at least was adopted. Certainly, when considering the technological advances in almost every facet of our society, it can be seen that housing has lagged far behind.

I would like to make one suggestion as to how this item might be further improved. One of the main reasons technological innovation as it pertains to housing has lagged behind other fields is a reflection of the fragmented nature of the housing and construction industries. This fragmentation is due in large part to government policies. However, be that as it may, true technological innovation is enhanced by encouraging experimentation over a broad front, by many people in many areas, and small, or even moderate sized builders lack the base to do much research. They simply cannot afford to take the risk. However, they do generate new ideas, come in contact with new materials and new techniques. There would be far greater utilization of this new technology if the risks could be shared. That is why I would suggest the government might consider an insurance scheme to insure innovative or novel new techniques, and/or materials, and thereby reduce the risk factor. This would greatly broaden the experimental base and lead ultimately to greater progress in developing newer, better and cheaper housing.

In conclusion, may I say that I will support this bill even though it is no panacea for our housing problems. It will not reduce housing costs. It will not cure Canada's housing problems. However, hopefully it will do more good than harm. My main fear is that it may cause the government to be content, thinking it has addressed itself to the real housing problems of Canada, and thus delay the true changes that are necessary. However, this concern is quickly ameliorated when I realize that what we are dealing with is a temporary government which will soon be replaced by a Stanfield government—

Mr. Gilbert: Lord help us!

Mr. Alexander: You won't be here, John.

Mr. Andre: —a Stanfield government that will address itself to the real problems of housing and urban affairs, and the sooner that day comes the sooner Canadians can expect a better future.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, aside from the whole question of unemployment, rising prices and the other domestic and international economic matters that face us, this government, and the government from our party that will follow it, face their greatest challenge in this country in the field of urban affairs. The shortage and inadequacy of urban housing, traffic and transportation problems, air and water pollution, the conflicting jungle of land use and decaying neighbourhoods, urban poverty, social disturbance and the frustrations of municipal administrators are familiar problems to the average Canadian city dweller today. In that litany of urban tragedy, Mr. Speaker, lies the challenge facing all the governments of Canada. There is a general consensus that the problems of urban society have multiplied and intensified so greatly that they endanger, and indeed threaten, the long term vitality of the cities as we know them.

• (1600)

The present methods of dealing with these problems have been judged inadequate by even impartial advisers and comprehensive new approaches have been advocated. I say to this House and to you, Mr. Speaker, that this government has not listened. That is not to say that Bill C-133 is not an improvement on the situation because obviously it is, but in terms of a comprehensive, national urban policy it is not; it falls far short of that category.

The problem, Mr. Speaker, has not been the lack of research, but an apparent unwillingness to make comprehensive decisions and to finance national goals for urban Canada. It is true that for the majority of people the large metropolitan areas are becoming less desirable each year. That includes the area that abuts my own constituency,

this city, which is becoming less desirable because of transportation problems. The failure of this government to meet the financial requirements of the regional transit commission quickly, and to develop rapid surface transit within this city, has caused a type of urban decay which is becoming more discernible each day and each month because the action that is required and that members of this House have called for has not been taken.

I do not think it falls upon us in this country to compare ourselves with other places in North America. We have heard the classic comparisons with New York, San Francisco and Chicago and the conclusion that we are not as bad as they are, thank God. With continued neglect and continuing inability to meet real needs, with continued frustration in the whole governmental process, with the wrangling over legislative responsibility, whether it is provincial, municipal or federal, we run the risk in some of our cities, and I believe this is one, of passing the point where anything can be accomplished quickly to improve the quality of life.

The statistical hallmarks of the problems that face us, face this government and will face succeeding governments if action is not taken, are rather frightening. In 1921, less than half our population was urban; by 1966, the proportion was 73 per cent; by 1981, it is expected to reach 85 per cent and in the year 2000 it is projected to rise to 94 per cent. By the year 2000, Mr. Speaker, nine out of every ten Canadians in Quebec, Ontario, the Maritimes, Alberta and British Columbia are expected to be living in the cities and towns. Within 30 years it is expected that more than 50 per cent of Canada's population, some 16 million people, will reside in 21 centres stretching along the St. Lawrence lowlands from Windsor to Quebec City. Mr. Speaker, in light of those statistical hallmarks of the urban problem, we in Canada have no cause for any self-righteous smugness. It is a fact that for many reasons people are leaving rural Canada and are crowding into our cities. This input of people is complicating the problem of urban renewal every day and is making the decision in large cities on urban renewal, low rental housing, senior citizens' housing, and many other fields, the decision that is born out of desperation and pressure rather than reasoned consideration.

Is it not obvious that the availability of serviced land is an important and indeed fundamental need in all our cities? It is so obvious that it hardly bears repeating. It is also obvious that there has been a failure, wherever the blame lies in this country, to provide an adequate supply of serviced land. That, too, hardly bears repeating. The story is contained in the excellent speeches of the hon. member for Calgary North (Mr. Woolliams), the hon. member for York Simcoe (Mr. Stevens) and the hon. member for St. Paul's (Mr. Atkey) and the hon. member for Calgary Centre (Mr. Andre) who spoke before me.

I think it is a wrong concept in every part of our lives, Mr. Speaker, that it has become fashionable to be bigger, as if bigness had some sort of grace attached to it—to have more and to do it all for less. I realize that this ministry or this government cannot stop the clock and it is foolish to say that of any government, but in this country we have the opportunity now to change the pattern of our cities and, I suggest to change the direction of our growth.

[Mr. Baker.]

However, I do not in any way minimize the size of the task that faces any government which wishes to face up to it. We have an opportunity to do something in Canada before it is too late. This will require the co-ordinated recognition of the problem by all levels of government; it will require the leadership of the federal government, not just in money but in ideas and in courage. This bill does not contain these kinds of ideas or the courage that is required.

We have to fight what I call the inevitability syndrome in Canada. People say it is inevitable that Toronto will have a population of six million people by the year 2000; it is inevitable that cities will be filled only with high rise buildings and there will be no room for houses and families. They say it is inevitable that we will have urban sprawl. Mr. Speaker, I suggest these things are not inevitable, and whether they happen depends upon the actions of government backed by an awakening people in these communities that are fighting this pinch in the manner I have suggested.

Our big fight against this inevitability syndrome in urban affairs is the concept of new communities mentioned in this bill and the extension of older communities. Those are older communities divorced from the areas of difficulty that I have described. Perhaps it may prove the most significant part of this bill in terms of its long range impact on the future development of our country.

The new provisions in Bill C-133 are contained in clauses 45.1, 45.2 and 45.3. If these clauses are administered and funded with the leadership and courage that we would expect of a government, but which we have not seen since January 4, 1973, and if there is proper consultation with the provincial governments, particularly those where there is a real urban problem, we can start to acquire or provide for the acquisition of land for new communities. The bill provides for this and it provides for the acquisition of land for transportation corridors, for open space and for essential public facilities. I think the cost-sharing arrangements in the bill are generous; they indicate that Central Mortgage and Housing will share 75 per cent of the cost as well as 75 per cent of the profits or losses.

My suggestion to the minister, Mr. Speaker, is that the new communities program should not be restricted solely to areas removed from existing cities and towns. As I read the clause, it could provide for the incorporation of the development of new communities within urban areas, as well as the development around the cities of extensions to existing communities. In this way, I believe it would be possible in new communities to have not merely dormitories, but mixed urban areas in which the commercial and industrial amenities which are necessary to life, work and function, as well as the assessment based for municipalities, would be present and where there would be at the time of the development around these towns the existing social structure to support them. This social structure would be augmented by these new communities.

• (1610)

If there is an ultimate feeling, it is that a beneficial housing policy cannot be developed in isolation from other programs. Perhaps this is the failing in this bill. The

government still has no strategy for urban growth. There is no strategy with regard to rapid transit or the provision in municipalities of other transportation facilities. There is an ad hoc approach to the whole problem of servicing. The bill does not present any specific outline for such a policy with respect to the very excellent program it sets forth for the development of new communities. It shirks the issue by speaking vaguely of transportation corridors.

I have one other matter to which I should like to refer, and that is the whole question of senior citizens' housing. I am going to relate this matter to the whole problem which affects the province of Ontario, particularly eastern Ontario. In eastern Ontario, the populations of many small towns and villages were growing up until 10 years ago. In that area of Ontario, we are now feeling this urban movement of population. As a result, in many small villages and towns in eastern Ontario there is an aging of the population. As this aging process occurs, there is a greater and greater requirement for continuing provision of adequate senior citizens' housing. That is a need.

I have two matters in my constituency in mind. There has never, and will not be in the foresseable future, municipal services of sewer and water to supply not only senior citizens' accommodation but single family accommodation, commercial and other development that takes place. I think a wrong policy has developed at Central Mortgage and Housing Corporation which reports to this parliament through the Minister of State for Urban Affairs. It seems the policy of that corporation is that there shall be none of these multiple unit projects such as senior citizens' developments until there is a system of municipal sewer and water services. This is very important because we are not going to be able to fulfil a need for these aging populations. I have a case in point.

I wrote to Central Mortgage and Housing Corporation with regard to a senior citizens' project for the townships of Marlborough and North Gower in my constituency. I also have in mind one in the village of Spencerville which is a police village, a small hamlet. I have not heard from CMHC with regard to the one matter, but I have heard with regard to the proposal in the township of North Gower. In my letter, I asked what was the general policy and whether it was required to have sewer and water when considering multiple units for senior citizens. I received a reply from CMHC dated March 2, 1973, and I quote:

> The absence of municipal sewer and water services could present a real problem inasmuch as it has been Corporation policy for some years now that financing would not be made available for the construction of "multiple-unit" projects in locations not served by piped sewers. This policy reflects our concern with the growing problem of soil and water pollution created in part by the use of septic tanks.

I cannot quarrel with the minister's concern about pollution control. It is a concern of us all. I concede that there is always the possibility of improperly installed or operating septic tanks causing difficulty. However, this lack should not become the basis for automatic rejection of projects. With all the research facilities available in this country, this ministry should be the leader in establishing research projects to develop sewage disposal systems that are not dependent upon the septic system, but can operate in isolation from municipal sewer and water systems.

Mr. Basford: They are.

Mr. Baker: If that is the case, I would like some details on this type of development. If there are such systems, I would like to see this particular project approved. From my own personal knowledge, I can say that this is one area of eastern Ontario where it is needed. There are many others, but I mention only two. There is a need to be fulfilled in areas of aging population. This is true in all parts of Canada, especially in the rural areas.

I would like to see this policy changed so that municipalities in Ontario, in partnership with the Ontario Housing Corporation and, from the financing point of view, CMHC, can have the avenues opened so that they can provide proper accommodation to senior citizens. As the science of geriatrics improves, we are going to have to deal with this problem more and more. When people age, they still have the desire to be independent. I know that from my own family. We ought to provide them with a choice in housing.

The waiting list for low rent housing for senior citizens is inexcusable in a modern society. I think the waiting lists are monuments to the failure of policies. I am not suggesting that the government has not turned itself in that direction. Of course it has, but not soon enough. There are waiting lists in every city. I receive letters from old people who want this kind of accommodation, but it is not available. I suggest to the minister that perhaps there can be some changes in attitude in this area, backed up by proper research. I dare say that if the proper research is made available on a package sewage system, there will be some with administrative courage who will find them suitable and acceptable.

Mr. Basford: Mr. Speaker, I wonder if my member of parliament will allow me to ask him a question?

Mr. Baker: I wonder if I might finish, Mr. Speaker, and then answer. Many of my colleagues have spoken about the cost of land. The cost of serviced land is the catalyst in pushing prices down. This will apply in the case of the new communities, as well, so a spirit of adventure would have to be shown with respect to the development of trunk services, and so on, in these new communities. In the absence of a strong thrust to provide serviced land at reasonable cost the whole policy with respect to new communities, as set forth in this bill, will fail.

• (1620)

There is a fundamental problem in this regard. It involves the whole relationship between the federal government and the provinces. It has long been the case that the provincial governments possess much of the legislative power but that the taxing power, the power of the purse, is lodged with the federal government. It is on the basis of this conundrum facing Canada that a call for block fund financing was made by the provincial ministers. I am sorry to say that the federal government refused to permit the provinces to assume tax revenues from which to pay for housing programs. If we are to go beyond the bandaid approach to housing, to use a phrase from the speech of the hon. member who preceded me, a wholly new approach will have to be taken vis-à-vis provincial governments. The provinces want to take part in

this work as well. There has to be a spirit of co-operation such as is now beginning in the partnership between the senior citizens and CMHC. This has to be extended to all forms of housing and servicing of land.

It is all very well to blame the land developer for making a dollar. We should remember that it is the policies of the government with respect to its housing program which have enabled the land developer to make his profits. The shortage of housing is the result of the failure of the federal government to show initiative. To this day, the government has failed to present a national urban development policy. And because the government has failed to contain inflation, much less diminish it, hon. gentlemen on the treasury benches are again forced to consider this crisis in terms of interim relief; they have no long term plan with respect to housing. The decision in favour of stop-gap measures may be justifiable from a pragmatic point of view. The Liberals have no intention of losing the next federal election.

An hon. Member: Hear, hear!

Mr. Baker: I suppose that is as good a justification for the bill before us as one could imagine. But little is done for those who cannot find adequate shelter or for those who cannot afford to buy a home.

Before I sit down, I want to refer to a brief presented to the Executive and Planning Committee of the Council of the Regional Municipality of Ottawa-Carleton by the Home Builders' Association of Metropolitan Ottawa which is, as hon. members know, an affiliate of the Housing and Urban Development Association of Canada. These figures were given to the senior municipal government in this area and they relate specifically to the Ottawa area. They, too, are monuments to the failure of the government's urban policies. I say this with great regret, because I would much prefer to stand up and approve government policy rather than criticize it.

According to table one of this report, the price of the average, single family dwelling lot rose from $5,000 to $12,000 between 1965 and 1972. The average house and lot price as moved from $25,100 to $39,000 in this area between 1965 and 1972. Starts on single and semi-detached housing increased from 1,567 units in 1965 to only 1,803 in 1972. This is an indication that if a person expects to own his own home in the Ottawa area the statistics are stacked against him. The whole economy is stacked against him. With respect to row-housing, on the other hand, starts in 1972 were 1,339 units, compared with 684 in 1965. So, row-housing starts have doubled. In the case of apartment units, starts in 1965 were 2,246 and in 1972 the number had more than tripled to 7,600.

These statistics indicate that there are people in this country who, against their will and because of the inflation that the government has failed to check, are sentenced to live in places other than single family homes. There are some in our community who do not want to live in single family homes. But I suggest there are many who, if the situation with respect to building costs and land costs were stabilized, would choose to accept the single family home with all its amenities. The statistics I have given for the area I have the honour to represent, and which find their counterpart in every province in this country, are monuments to failure whereas they ought to be milestones on the road to the development of a national urban policy, something which this government has shown itself incapable of producing.

Mr. Clarke (Vancouver Quadra): On a point of order, Mr. Speaker. I did not raise it earlier because I did not wish to interrupt my hon. friend from Grenville-Carleton. My point of order arises from the remark of the Minister of State a few minutes ago when he said he wished to ask a question of "his Member of Parliament". I had fondly entertained the idea that I was the minister's Member of Parliament. Could he tell us whether he has changed his residence or whether he was resident in Vancouver-Quadra on election day?

Mr. Basford: On the point of order, I am delighted to see two Tories fighting over my body.

Mr. Bell: It is worth 39 cents, chemically.

Mr. Basford: But, as we know, a Member of Parliament usually has two addresses.

Mr. Baker: On the point of order, I should like to say that if my hon. friend from Vancouver-Quadra wants the minister I would be delighted to ship him.

Mr. Deputy Speaker: It does not seem to me to be a great point of order.

• (1630)

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I think the real reason we were quarrelling over the location of the minister's residence was a natural inquiry by the members of my party as to how many times he and his colleagues have voted.

I want to open my remarks today with some reference to the remarks of the minister when he began this debate, particularly the piety that he exhibited at that time and before when he stated that "good housing at reasonable cost is the social right of every citizen of this country". When good housing at reasonable cost is not available, the minister has been quite adept at finding excuses, usually blaming some other level of government. However, it is my privilege to represent in this House three of the townsites in national parks and in those townsites the housing crisis is a scandal, as it has been for years. They are areas completely within the jurisdiction of the federal government. This is a crisis which is completely the fault of the federal government. When I asked the minister in this House the other day whether that pious principle of his applied to areas within the exclusive jurisdiction of the federal government, he ducked the question, passing it on to a minister who was not here.

What is important is that the housing crisis which exists in areas within federal jurisdiction does not apply just to national parks and townsites there. It is the shocking fact that the people in Canada whose needs in housing are most acute and least recognized are those who dwell within the exclusive domain of the federal government. I refer to the people trapped in the colonial tentacles of the Department of Indian Affairs and Northern Development, native people, northern people and residents of

national parks. If the minister is serious in his assertion about a social right to good housing at reasonable cost for every citizen, he presumably regards these Canadians as second class citizens.

These areas are directly within federal jurisdiction and, at least in so far as the parks are concerned, the minister should either reform the practices of his colleagues or refrain from pious declarations of empty principle. The Minister of Indian Affairs and Northern Development once told residents of Jasper that if they did not like it there they could leave. He is now making that necessary; they have no houses in which to live. Newspapers in that town are now running advertisements for apartments in adjoining communities because you cannot get any place to live in communities that are administered exclusively by the federal government. The problem will be much more critical this summer with the influx of students and tourists, and despite the repeated assurances of the minister as to the social right of Canadians, the federal government is proposing to do nothing about the situation.

The second reference that I want to make to the minister's statement is drawn from his reference on page 2258 of *Hansard* to this bill being only part of the total picture. It is quite significant that the minister finds he has to start his contribution to this debate with an apology. As my colleagues have already said in this debate, the major fault with this legislation and with the entire approach to policy of this minister, is that it is an ad hoc approach. Even now we have had no sign of a genuine national policy. I suggest it is misleading to suggest that this is part of a picture, because no picture exists. We have a piecemeal approach. Some of the pieces are good. But we cannot delay much longer the development of an over-all policy. We have to recognize that what we are dealing with here is not just housing policy; we are dealing with social, cultural and economic policy. We are dealing with the people of the country as a whole.

All these matters are inter-related. That was supposed to have been recognized when the Department of Urban Affairs was established, but that mandate has been abandoned. There is now an obvious and continuing conflict between CMHC and the minister's own cadre of advisers. There is no agreement between them as to jurisdiction or as to goals. The minister himself is either unable or unwilling to resolve this conflict and to give any kind of leadership.

We need in Canada an over-all strategy which recognizes the relationship between various aspects of national policy, which treats housing as being not in isolation from the rest of the problems of the country; which treats the CMHC as being not in isolation from the goals or other aspects of the Department of Urban Affairs. What we will be doing in this area will affect the face and the future of the country forever.

We will have to have much more co-ordination than has been the case to date because what we are doing now is stumbling in the dark without goals, without agreement on how to reach goals, with a minister who claims that a major piece of legislation is really only part of a picture, but who admits by his every action and inaction that it is a picture he cannot see, let alone achieve.

I have some sympathy for the minister. He is up against the established practice of treating housing and other policies as though they were in some vacuum. He symbolizes indeed the plight of a party which is listening to advisers and following procedures which are decades out of date. Perhaps the most critical issue in this country is the fact that one party and one group of advisers have been running Canada for most of the last 40 years. The senior advisers did their best during the Diefenbaker administration to frustrate reforms intended and initiated there. They are running the country now in a way that, however appropriate to the 30's or the 40's or the 50's, is dangerously wrong in contemporary Canada.

I want to focus on one feature of this bill. It is a feature referred to by my colleague from Grenville-Carleton (Mr. Baker) as the new communities provision. I am concerned, as he is, that there is not adequate provision in that proposal for application to existing communities. I think that the new communities proposal is a symbol of a policy that, while it might be good on its own, should not stand on its own, and indeed which holds the promise of doing harm precisely because it does stand alone and is not part of an integrated policy towards communities in Canada.

The purposes of that section are self-evident and good. They are going to relieve congestion. They are going to allow experimentation and might even help open resource areas. But by my reading the provision applies only to wholly new communities and things created where nothing was before—the product exclusively of social engineering. There is no provision for expansion around communities that already exist, which have already proven that they are places where people want to live. Perhaps my reading is wrong; perhaps the bill does not preclude that possibility, although to the degree the new communities concept relies upon the instrument of land assembly the concept would seem to preclude additions to towns and small communities that already exist. But even if that possibility does exist, it will obviously be as an afterthought, as an adjunct to the prior purpose of creating wholly new, experimental, engineered communities.

There are a lot of things that are not in this bill. To my mind, coming from where I do, the most serious absence is the absence of any policy at all to develop or to maintain the thousands of towns and small communities which, if they survive, hold the promise of giving modern Canada a style and quality of life without parallel in any other country in the world. I want to suggest that in housing and in other policies, this government has sentenced to death several of the smaller and older communities in Canada which have a lot of natural life left in them if they are given an even break through national policy.

Throughout his long address the other day, the minister devoted fully two sentences to what he called "the deeply satisfying aspects of life in the country and in country towns and villages". He talked about their contribution to what his speechwriters called "the abiding values that have made Canada and her people great". Those words reek of eulogy. The minister and his aides clearly regard these smaller communities as a part of the past—albeit the abiding past—and he pauses in his blind rush towards a future he admits he cannot see only long enough to wish

these country towns and villages a decent burial. The minister might deny that. He might claim that he has plans, that this is all part of that elusive, larger picture. But the damage is done by his demonstrated indifference.

My grandfather ran a newspaper in southwestern Alberta in a day and a district where you could not always phone to check your facts. In one issue he reported the death of a merchant in the little town of Longview, a man called Long Tom. The obituary was properly full of praise and respect. The day after the paper appeared so did Long Tom, who said the reports of his death were premature, and while he appreciated all the nice things that had been said, they were certainly hurting business. That is precisely the situation of the smaller communities of Canada. They can appreciate the lofty language of the minister but know that, in the cadence of his words and the thrust of his policy is the sound of a death knell that is not only premature but destructive of the values and the future of this country. The minister can say what he will, but his policies are hurting the business and hurting the life of the smaller communities of Canada.

• (1640)

May I give one small example? The federal funding that will go into these new communities will give them an unfair competitive advantage over neighbourhood communities that already exist and have to get along with the infusion of federal funds and expertise. Indeed, under this bill the only help, potentially, that will be given to existing communities, as I see it, is provided for in the hinterland housing proposal, and that is far too limited.

The problem, Sir, is not so much in what the bill does as in what it fails to do. In fact, in Canada there has been for a long time discrimination against small communities. It is not deliberate. I suggest that they are simply the so-called accidental victims of policies established for other purposes. They are too small and too unorganized to defend themselves against the cumulative, contrary resources of big governments, big cities, big labour and big industry. They are the communities that are overlooked. We see it in housing policy.

The minister talks about housing surveys. Actually, CMHC has made virtually no surveys outside major metropolitan areas. He talks of regional surveys. Regional programs might be planned, but they have not happened. The focus has been on one, two or three of our major cities. As well, most towns in Canada suffer from the so-called red circle policy of CMHC which limits and virtually eliminates CMHC lending in areas which are not considered economically viable and which are slung into that category without any effective power of appeal. This might not be official policy, but it is effective policy. It is discrimination against smaller places which, to a certain mentality, are not viable because they are not big.

Most serious, Sir, is the fact that the department is simply and blindly going along with trends, responding to projections which might very well be wrong and working without targets, without goals, which might recognize and value the strength of smaller places. Instead of targets being aimed at, there is a simple an unquestioning capitulation to figures which show people are moving to metropolitan areas; and there is not any attempt to determine whether they need to or want to move in such numbers. There is a danger, Sir, when making the kind of case I am trying to make today, of being accused of retreating to nostalgia and attempting to maintain artificially communities which time has passed by. That is too easy a response. I appreciate, as all members of the House do, the tremendous importance of urban growth in this country. I appreciate particularly the capacity of our larger cities to provide innovation and excitement in our national fabric. We value such cities. We welcome them. We want them to be as good and as strong as possible. Obviously, there are places in Canada that were thriving once and are empty now. Of course, the place to remember our legitimate rural past is Upper Canada Village, or Heritage Park, or the local museum, or in personal memories that one finds across the country. But, Sir, to say that some small communities will die is not at all the same as saying that all small communities must die. There is too much evidence that the latter assumption guides this government and its advisers, the assumption that the small community, in all its forms, is doomed and that our future lies exclusively in bigger and bigger cities.

I ask you, Sir, to consider what has been happening in Canada. We have a national policy whose purpose is, according to the government, to rationalize small farms; that is a fancy word which means putting them out of business. We have a national policy which acquiesces in rail-line abandonment and thus cuts the cord which might give smaller places the same chance to live that larger places have. It is interesting to note, parenthetically, that when a major change is planned in the transportation patterns serving larger centres, there is immediately something called an impact study. But when a railway proposes to tear up service to a town and do damage far greater in proportion than an airport at Pickering would, we accept the system of Canadian Transport Commission hearings, where corporate experts consistently prevail over the innocent or unsophisticated arguments of small town mayors or reeves.

We have a national industrial policy which continues to concentrate secondary industrial development in a handful of crowded places, even though technology and economics would allow much greater decentralization. We had a national budget brought down last month which will have the effect of drying up even more the moneys available to provinces, which means that when the provinces split their smaller pies the towns and villages which have none of the expertise which cities can hire will suffer disproportionately. Even the National Youth Orchestra, Mr. Speaker, draws disproportionately from larger centres and leaves too many of the children of the towns and villages with their talents untested.

Any one of us privileged to serve an area of towns and smaller places can cite a hundred other instances of unintended discrimination, a hundred other instances of the assumption that the small community is doomed. None of us alleges a conspiracy. No one is out to get the town or village. They are simply being overlooked, and when they raise their voice in protest or proposal, they are too easily dismissed by commentators and public servants to whom the towns went out with Stephen Leacock and whose only picture of the country now is of some cracker-barrel caricature mopping up after Charlotte Gobeil.

Two things are happening. First, we have artificially defined the future, and done so by accident without any real inquiry or research. We do not know that we want massive cities; we simply assume we will have them and shape our policy to achieve our prophecy. The second thing that is happening is simply that national policy is being devised to meet other needs which have more urgent advocates. Too often smaller places suffer as a side effect. Some people assume that the only way to maintain viable smaller communities is by some artificial act, some interference with the natural processes of growth, whatever they are. In fact, the threat to towns and small communities is precisely that the acts of interference or artifice which governments create or condone have been biased against the smaller community. For example, the interference implicit in the new communities provisions of this bill will mean that existing small communities will now face new federally funded competitors for industry and population. The towns do not rely on artifice; they are its victims. The interfering has already been done against the interests of the smaller places and what is needed now is not a special concession but an even break.

I want to return to the question of forecasting, to the prophecies of extravagant urban growth and the actions and assumptions which can make those prophecies self-fulfilling. When Professor Lithwick submitted his report on urban Canada in December 1970, he included a projection that some 73 per cent of Canada's population will live in 12 major cities by the year 2001. There were similar projections painting a similar future and implying the withering away of smaller places. Professor Lithwick is no longer with the government. It is my impression that one of the reasons is that, while he submitted those projections as a warning of what could happen, the government took them as a goal for what should happen. Public servants and private planners took note of the statistics, chewed them over coffee, agreed that indeed cities did seem to be growing and so a sort of unconscious consensus was formed; and every bureaucrat, every businessman and every student planning a career shapes his or her plans in the context of that vision of the future. The question we should be asking as the parliament of all of Canada, as the custodian of the nation's history and quality of life, is whether that is the vision we want to achieve, whether we want a Canada with only 12 major centres or whether we want a country with more balance and variety.

The tragedy of this bill, Sir, and of this government is that those questions are not even being asked. Perhaps there is come cubbyhole in CMHC or in the minister's own private zoo where people are paid to wonder about the future. But it does not show in the bill, it does not show in policy on transportation, as my colleague the hon. member for Vegreville (Mr. Mazankowski) said yesterday, and it does not show in policy on finance or on industrial development. All that shows, instead, is a more or less mindless acceptance of an untested trend.

I am not going to go on at length to celebrate the virtues of small communities. As the minister said in his little eulogy, they are abiding virtues. In fact, we have in the literature and lore of Canada a rural tradition of uncommon strength and influence. Even now, our poets, writers and singers invoke the language of the land when they want to speak to Canadians. But apart from that tradition, apart from our unusual history of settlement and growth in a network of smaller places, apart even from the desire of so many Canadians to go back to smaller places for a weekend or a vacation or, if they can afford it, for a "home in the country", this parliament should consider that the very virtues we seek to achieve by legislation have grown by habit in most of the towns and villages of our countryside.

• (1650)

We try to contrive in cities a sense of neighbourhood; yet that exists in towns. We try to inspire a respect for environment; yet, no one raised, for example, in a prairie town could escape a sense of the wonder and the frailty of nature. We are worried about rootlessness and anomie, yet there are abundant communities in Canada that are still places where people feel at home, where democracy is genuinely participatory, where neighbours are known. Of course, these places have limitations of their own and should be assessed as critically as cities are. The point is that Canada in the 1970's has the chance to draw the best from both the town tradition and the urban fact. Perhaps no other country in the world shares that opportunity. Others have squandered their rural resources, or are necessarily preoccupied with establishing the elements of an urban society. We still have time to strike a balance and, perhaps in so doing we can help define the elusive Canadian identity and develop communities which meet modern human needs. But it will not happen by accident. It will not happen as a result of bills like this, which simply ignore the rich resource we have in the towns and small communities of Canada. And it will not happen unless this government or its replacement, turns around the present attitude toward smaller communities.

The question of small communities is only part of the problem or, as the minister would say, only part of the picture we face in this debate when we deal with this problem. Before we begin to be satisfied that we have a national urban policy or, as I would prefer to call it, a national community policy, we must recognize the danger of a piecemeal approach. Not only does this measure fail to do things we need to have done, but can, as in the case of towns, cause positive harm. We require an integrated policy which recognizes that the goals of different sectors of our society must be set together and sought together, and which recognizes that what we do in transportation and industrial development affects our housing policy. We must remember that what we do to build up cities can cause smaller communities to die.

My own preoccupation today is with towns, and similar smaller communities. That is for two reasons. First, they possess a unique set of values which, if encouraged, can enrich the nation. Second, their plight today, the danger they face, is due to the neglect of national policies, more than to any other factor. Unlike other groups they have few people to present their case.

This bill fails even to recognize the importance of towns. The minister, or his apologists, might say that the provisions concerning consultation allow provinces to establish priorities for towns, if they want them. That is an evasion, a cop-out. The principle is well established in areas where

jurisdiction is shared or unclear, that the federal government indicates clearly certain kinds of programs it wants to have proceed. That, indeed, has been done in this bill. One might argue about the adequacy of the reference or the provisions, but there is specific provision for co-operative housing, specific provision for public housing, specific provision for native housing and specific provision for new communities. If the federal government wants to recognize or establish a priority, it can. But it has clearly ignored the towns and small communities of Canada.

If we are to encourage smaller communities—as I believe a balanced nation must—we will need some major changes. We will need changes first in the attitudes of the bureaucrats whose influence on housing and related policy today far exceeds that of anyone in this Chamber. Whether by conscious act or inadvertence, they have contributed directly already to the decline of smaller communities, and either their attitudes must change or they must be changed. Second, we must re-examine the basis and validity of the projections which we are following now. Once we have some clear view of the future options open to us, we must decide whether we will simply become apostles of the trend and go wherever present trends might lead us, or whether instead we will decide what kind of country we want, what balance we want between large cities and small places, and then shape events instead of letting them command us.

If we do decide that we want to retain the unique values that viable smaller communities can offer modern Canada, we will need, in effect, a co-ordinated national policy on towns and small communities. It is not enough simply to change policies of CMHC, or to amend in some insignificant way the new communities provisions. There will need to be a re-orientation of policy in several fields. The key perhaps will be industrial policy and we will have to consciously decentralize, to smaller places, those light and mobile modern industries which can operate as well in a town of 5,000 as they can on the fringes of a megalopolis. There is already evidence, in the United States and elsewhere, that much modern industry which felt itself confined to city sites can, when necessary, relocate successfully in smaller places.

In my own constituency, a cable plant was set up in a mountain pass community instead of in a city, and the people who work there vastly prefer that environment where they are minutes from skiing and fishing and the out-of-doors. The plants can come and the people can come if national and provincial policy direct them toward the towns instead of in the conventional opposite direction. The DREE policy must reflect a confidence in smaller communities. Government departments should establish special programs to ensure that the assistance they offer gets through to communities too small to hire squads of experts whose specialty is getting government grants.

We need to review our processes of public hearings to end the farce that presently characterizes hearings of the Canadian Transport Commission, to name one, when it pits professional corporate experts against the local laiety and calls the process, democratic. I, personally, would like to see some provision that recognizes how few of our influential public servants have any contemporary connection now with the smaller places their decisions affect. Perhaps a special system of sabbaticals could be arranged which would require them to spend two weeks each year in a different small community where they would be available to the people whose lives they affect.

Without becoming lost in specifics, the point is that any effective policy to make the most of our small communities must involve changes on several fronts. It cannot be piecemeal. It must itself be part of a general community program which aims to achieve the best of our city and town potential. The present bill is an era away from that concept. It is a piece of patchwork, brought forward by a government without goals of its own. It provides no direction for Canada. It is just another vessel to drift in, a little more serviceable than what we had, but almost useless in light of what we need. Mr. Speaker, the sad fact is that the government considers this to be reform. There could be no better proof of its incompetence to govern contemporary Canada.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I am sure all members of this House welcome the amendments in respect of the National Housing Act which are before us in this debate. I would certainly like to congratulate the minister for his part in this legislation and also for the very fine address he gave in opening the debate, as well as for the principles he enunciated which I am sure all members of this House will support. We can welcome these measures as an attempt to achieve what must be a fundamental social objective of this **parliament** and of this government; that is, to put a home of their own within the reach of every family willing to make the effort to buy one. We ought to see this as a basic right of every family in this country. When we think of rights we usually think in terms of political and civil rights, but as well, we must think of those human and social rights that are equally fundamental to a truly human existence.

We should recall the opening words of the Canadian Bill of Rights, one of the most important pieces of legislation passed by the Canadian **parliament**, and a great testimony to the leadership of the right hon. member for Prince Albert (Mr. Diefenbaker) when he was Prime Minister of this country. The preamble to the Canadian Bill of Rights reads that:

> The Parliament of Canada affirming that the Canadian Nation is founded upon principles that acknowledge the supremacy of God, the dignity and worth of the human person and the position of the family in a society of free men and free institutions.

• (1700)

I submit that the position of the family in a society of free men and free institutions must include the right to obtain a house in which that family can find its own identity and **fulfil** its own aspirations. The preamble to the Bill of Rights also states that the parliament of Canada acknowledges the right of the individual to life, liberty, security of the person and the enjoyment of property. We certainly must recognize the fact that there are all too few families and individuals in Canada being given the opportunity to enjoy that last right, the right to the possession of property. For most Canadian families, the right to which this great, classical, historical Bill of Rights bears testimony is being denied them. This right is being put, by economic and social forces, beyond their grasp,

and we must face the fact that part of the duty laid upon this parliament and upon this government is taking those measures that will bring that right back within their grasp.

For most Canadian families, the kind of right to which the Bill of Rights bears testimony includes having a house of their own. This is not because living in high rise apartments is, in itself, bad in any way. Such accommodation satisfies many Canadian people who find that it meets all their needs and fulfils all their desires. But it does not satisfy the needs and the desires of the majority of families. They want a house of their own. They want some grass around it. They want a garden in which they can grow things. They want a yard where their children can play in freedom and safety. They want a neighbourhood where they can sink down some personal roots and feel that they belong somewhere instead of being just bits of cosmic dust blowing here and there. They want to recognize people by their names and believe themselves members of the community that has identifiable persons within it, instead of being part of that faceless mass that so often populates the great urban centres of the land. Therefore, these families look upon a house as something more than shelter. It is not just so much real estate; it is something that is intrinsic to fulfilling their full life as a family.

We can, therefore, appreciate the great frustration that so many families suffer, the great despair that they have to endure as they measure the gap between their objective and their possibilities, between an objective which they have every right as Canadians to hold and which so very seldom can the average Canadian family fulfill, for the hard economic facts of Canadian life today tell us that the average family cannot satisfy this desire of its heart. Any member of the House who has done as I have, and I am sure the majority of Members of Parliament have, namely, canvassed door to door through many of our high rise apartments where large numbers of families with children are living, knows that so many of these people feel as if they were prisoners serving a life sentence. They are in and they are locked in for life by the hard realities of economic life as it exists in Canada today. They have no chance to obtain the freedom or the kind of life which they as families would like to enjoy. They cannot liberate themselves from the confinement in which they are being constricted by the kind of economy that this government has tolerated, indeed has so often encouraged.

I recognize that part of the problem lies in the fact that so very few apartment buildings have been built with families in mind. Indeed, were more designed to serve the needs of families, very frequently apartment buildings would be more than adequate, but in fact they simply have not been designed for children or for neighbourhood living. So, we must address ourselves quite realistically to the legitimate hopes of those parents and children who are seeking the traditional right which Canadian families have enjoyed through the years and which all too small a proportion of families are now able to obtain. We must as parliament ask ourselves: can we be taken seriously if we believe, and we ask the people of this country to believe, that this country no longer has the resources to make possible the fulfilment of this fundamental human right?

I cannot take that seriously and I do not think that the ordinary people of Canada take it seriously when they estimate the resources that are available to Canada, when they look at the extraordinary expenditures of this government, and when they look at some of the lavish spending on projects that have very limited social value. They cannot believe that there are no resources available which may open to the working people of this country a new life. We have to recognize much more seriously that the policies of the present government simply do not open the door of opportunity to the average family seeking this kind of fulfilment today.

We realize the truth of that statement if, for example, we examine the cost of housing in just one urban area in Canada, namely, metro Toronto. In 1971, the average cost of a house was $30,426. In 1972, it had risen to $32,513. By January, 1973, just a few months ago, it had risen to $33,445, and last month, February 1973, it had risen still further to $34,782. The increase in a period of two years has thus been $4,356 or approximately 14 per cent. That is the average cost of housing. It includes the sale of older and sometimes lower priced housing.

The average cost of new housing is higher still, so that a family seeking a house of its own is frequently priced out of the market unless the father or the father and mother between them, have an income adequate to meet the need, and very few families can provide that kind of income. For most of our families, the rise in income that they have enjoyed over the last few years simply has not kept pace with the rise in the cost of housing. The average family is finding that a house of its own is no longer the right that it has been in the past and that it should be now, but rather it is a dream they can never realize.

We see this more clearly still if we extend into the future the kind of price rise that I have described as taking place over these last two years. If the growth in the cost of housing continues at the rate of the past few years, it will mean that the average house in metro Toronto in 1975 could cost $39,000; in 1977, it could cost $44,500; in 1979, it could cost $51,000, and in 1981, it could cost $58,000. Thus, we would have a growth from 1971 to 1981 from $30,500 to $58,000, a growth of over 90 per cent. We can see, therefore, that unless something is done to bring an end to this spiralling, soaring cost of housing in Canada, we are simply going to put the fulfilment of the fundamental family and human right beyond all hope; instead of offering hope, we are sentencing the ordinary people of this country to despair. This is a disaster, not only for the persons involved, not simply for the families who so often say to their members and to others: we would like to have a house, a home of our own. I think equally we must see as parliament that this is a disaster for the country as a whole. It is, for example, a disaster for the economy of Canada.

• (1710)

A massive expansion of housebuilding could mean more in terms of stimulating the economy and creating jobs than almost anything else that the government could undertake. It certainly would contribute much more to the enrichment of the Canadian economy than the handouts and the schemes with which this government has become identified. This "alphabet soup" approach of the govern-

ment will not make the difference to employment and economic opportunity that could be obtained if we had a sizeable housing program equal to the needs of our people I suggest there is probably more spin-off from housebuilding in terms of stimulating related industries than from any other sector of the economy. A dollar spent on housing might have more effect in creating job opportunities and stimulating related businesses than a dollar spent on almost any other sector of the economy. So, to continue the kind of limited effort that this legislation, good as it is, represents is simply to spell the continuation of the economic disaster with which this government has been identified.

More importantly, this would mean a disaster socially. There can be no question that home ownership enriches a family's sense of community involvement and sense of personal stability. If in our big cities we want to avoid the tragedies that have overtaken the great cities of the United States, we must preserve our residential neighbourhoods and expand single family home ownership. The best way to preserve our neighbourhoods and with them responsible citizenry is surely by enabling families to have homes of their own. Consequently, we welcome what is contained in this legislation. We can see the merit of the various proposals that are embraced within these amendments, but they are not going to carry us very far along the road that we should be following. Certainly, they are not going to carry us sufficiently close to the objective that should be before parliament.

We must, therefore, deplore the way that these amendments represent such a puny effort, in contrast to what is a great need. Indeed, they represent such a small effort it is like trying to empty the ocean with a bucket. What Canada needs is a giant housing program. Instead, in many ways the government has offered the people a tiny mouse of a program. As is so often the case, this legislation is another example of the way in which the government gives us the impression that it values very highly what must be an enormous supply of scotch tape. It seems to me that the government is using a good supply of scotch tape to patch up this program and that project, to meet this need and to solve that problem, always in an ad hoc way instead of recognizing and measuring accurately needs and governing their objectives accordingly.

The result of all this, the result of too little, too late, is that the average family in this country is being given not hope but despair, despair that might eventually become bitterness. If this is all that the government can do, if this is all that parliament can do, then it is like saying to the average family in Canada "You are locked in and you will have to stay there". At the present time, only a miniscule number of Canadian families can afford to realize what they want so much—a home of their own. We therefore challenge the government's right to let this situation continue. When we speak of rights, we ask what right has the government to continue this kind of policy? We are prepared to recognize that what the government is doing may not be enough, but we have to ask the government whether it can seriously believe that this is good enough. The government has had enough time in office to introduce a program that would bring much more hope to the ordinary people of this country, and if it cannot do better than that, let the government make room for those who can.

[Mr. Stackhouse.]

I should like to suggest some proposals that I believe could make a contribution to an adequate housing program for Canada. This program must begin by recognizing that the housing problem will not be solved until we can do something adequate about the cost of serviced land, the cost of materials, and as well—ironically—the cost of money itself. As is so often pointed out by people in this country, there is no shortage of land in Canada. When the point is made that there is a shortage of land for housing, it seems almost an absurdity to people who see stretched before them great unpopulated regions in Canada. But, of course, the shortage to which reference is made is the shortage of serviced land, the shortage of land that is suitable for housing communities.

If we are serious about doing something to alleviate this shortage of serviced land, we must do something about aiding and encouraging municipalities to develop any serviced land that is available for housing and to embrace new housing as a social opportunity rather than, as is so often the case with expanding municipalities, imposing an economic liability upon them. One of the things we must recognize is that a municipality that is expanding its supply of serviced land and inviting developers to build houses is creating for itself a major economic problem with which it is so often unable to cope. When houses are built there are added to the municipality concerned certain enormous social responsibilities with regard to school construction, park development, recreational facilities and the like. So, we must face the fact that although serviced land may be an asset to the family that wants a home of its own, quite frequently it is almost a liability to the municipality.

We must recognize that what may be to some a solution is to others a problem. Therefore, we will not deal adequately with the challenge of housing unless we deal adequately with the challenge faced by a municipality that wants to develop land for housing purposes and provide services. Therefore, I submit to the House that the federal government, in co-operation with the provinces, must take steps to assist municipalities and encourage them to expand serviced land that is available and promote the growth of house building opportunities. While land banks in themselves have much to offer the people of Canada, land banks on their own are not enough. Land banks that are just assemblies of land which will not be adequately serviced for community life are really no answer to the needs of people who want housing here and now.

For example, in the early 1950's the federal government, in co-operation with the province of Ontario, purchased the land for the Malvern development, which is located chiefly in the riding of Scarborough East. There was a land bank acquired 20 years ago, before the term was much in use. That land sat for almost 20 years with nothing happening to it, because the land had to wait for municipal services. I cite that example simply to provide some basis for the claim that we will not offer much hope to the Canadian people if we as a parliament say we are prepared to finance provinces and municipalities in the development of land banks that will become available for housing, but do not establish a time frame to construct houses within the reasonably near future. What we need is some solution now, and simply acquiring land is not

enough unless we take the next step of making sure that the municipal services will be provided and that the municipality has an adequate supply of the services required by people. We need the roads, sewers and all the other facilities of urban life, but as well we need the parks, libraries, schools and all the institutions and facilities that contribute something to a truly human existence. All this adds enormously to the expense of municipalities involved.

• (1720)

In the borough of Scarborough in metro Toronto where I live, we are finding that the cost of municipal services has spiralled so that taxation on real estate is almost becoming equal to the cost of carrying the real estate itself. It has become a threat to home ownership. In my own case, ten years ago, taxation on my home represented less than 33 per cent of the amount of mortgage principal and interest, but today taxation is almost 75 per cent of that. In a few years, it can be expected to equal that and then go beyond it. This is not because of waste or extravagance by the municipal council or school board; it is simply due to the impact of inflation on these services.

As an example, the Scarborough Parks and Recreation Department budget has increased by 25 per cent over the past four years. This 15 year program for park acquisition called for a further expenditure of $38 million to which interest will have to be added. The same situation can be reported for schools, libraries, health services, fire, police and so on. This means that municipalities and their leaders are often not sure that they are able to afford an expansion of the housing within their borders, much as they may want to open up undeveloped land and make the areas available for families who want to live there. They are just not sure that they can carry the cost. If we go to neighbouring municipalities that do not have adequate planning, we often find that they are put in serious financial jeopardy because they have more families living within their borders than their assessment can support.

I, therefore, suggest that the federal government, in co-operation with the provinces, take a serious look at the cost of the burden of housing that has to be borne by the municipalities and the residential taxpayers supporting the municipalities. I ask that the federal government consider establishing a fund that would make a grant to a municipality for such family dwelling structures within its boundaries as are in excess of the number erected the year before. The purpose would be to help defray the cost of community services that the municipality must undertake to provide for families moving into it.

I do not suggest, Mr. Speaker, that this fund would meet the need over the long run; I suggested it only as an immediate measure to help meet that need within the short run. The real need of our municipalities in terms of the problem I have outlined, and in terms of other problems that municipalities must solve, is for a major review and reform of the way public revenue is distributed amongst the three levels of government.

We still think of Canada as just a country of ten provinces, two territories and the federal government holding everything together. I suggest, Mr. Speaker, that that is an entirely outmoded 19th century concept. It may have been up to date when the British North America Act was written but it is not any longer. Canada is not simply a confederation of ten provinces and two territories; it is to a large extent a league of city states. As far as the largest number of Canadians are concerned, it is becoming that kind of country and will become more so as we approach the end of the century. Therefore, if we today tackle long term planning we must have not only a romantic and understandable desire to preserve our smaller communities and enjoy them to the full, but we must recognize that the largest number of Canadians will live in these massive urban regions which have enormous municipal and social costs laid upon their shoulders.

These municipalities will need a much more sensible share of the public revenue than is available to governments. At the present time, 30 per cent of the expenditures of all three levels of government are by municipal governments. These governments, in turn, can raise only half that amount by their own taxation. We must, therefore, take seriously the need of our municipalities, especially in our massive urban regions, for a greater and more just share of the public revenue that is so often monopolized by the federal government. I would, therefore, ask that consideration be given to this kind of fund which I think would offer immediate and short-term assistance to municipalities and would encourage them to take their full part in the development of housing. In addition such a policy would aid the long term fiscal needs of our municipal governments.

We must recognize that if we are to do something adequate to bring the cost of housing in Canada within the reach of the average family, we must do something about reducing the cost of materials. We could do that by eliminating the sales tax on building materials. This would reduce the cost of the average home, it is estimated, by approximately $1,000. In my judgment, the government has no right to put this kind of tax on materials used in a family home. The Minister of Finance (Mr. Turner) could take the sales tax off candy and pop; we have to ask why he cannot take if it off the family home. Is that a luxury? Is it the privilege of an elite alone? Surely, it must be the right of every Canadian family that will make the effort to obtain one. During the recent election we called for the elimination of the tax, but I did not hear other parties call for it. If they approve of this, I invite them to take their stand with us in trying to bring down the cost of materials used in the family home. If they are really interested in helping the ordinary people, let them join with us in this effort we have been making for years.

Mr. Bell: They can join with us on Monday.

Mr. Stackhouse: We can hardly wait. As well, Mr. Speaker, we cannot expect much progress in home development while interest rates remain so high. We cannot expect progress in family home construction until interest rates are brought within the reach of the average family. Not only must the cost of the house be within the reach of the family, but the cost of the money must be within its reach. The money that must be borrowed and repaid over a long period of time is one of the most important elements in the cost of the family home. We must, therefore, initiate fiscal policies that will bring homes within the grasp of families, not only in terms of the actual selling

price, but also in terms of the monthly payments for which the family is responsible. It is often this payment that is the primary concern of the family. The first thing that many people want to know is not how much the house costs, but how much will the family have to pay each month. We must look to fiscal policies so that by a reduction in interest rates, and I think by an extension of the life of the mortgage allowable to families, monthly payments can be reduced.

The difference to monthly payments that an extension of the amortization period can make is shown in this example based on a $25,000 mortgage at an interest rate of 9¼ per cent. For principal and interest, the monthly payment for a 25 year mortgage would be $215.26. For a 35-year mortgage, it would be $201.96. If we extended that to 40 years, of course, the payment would be down proportionately. If we extended it in some instances to 50 years, it would come down still further.

• (1730)

To the objection that a longer amortization means the people pay a larger total, we must reply that most families do not stay in a particular dwelling for the full term of the mortgage. Their aim is not to have a home free and clear as much as it is to move into a home with payments they can carry. Their aim is really to have a home in which they can live. There should be more consideration given to making available mortgages that the average family can carry. There should be more consideration given to the fundamental realities of family life.

In conclusion, I reiterate the commitment of the Progressive Conservative party to the principle of a home of their own within the reach of every Canadian family willing to make the effort to obtain one. We often hear the famous lines quoted that it takes a heap of living to make a house a home, but we have to recognize that the family cannot do it without a house in which to start. We call upon the government to take seriously the implications of the Canadian Bill of Rights, the position of the family in a society of free men and free institutions and the declaration that one of the fundamental rights of the Canadian people is the right of the individual to life, liberty, security of the person and the enjoyment of property. Let parliament take action that will restore that right to all families of this country.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, Bill C-133 gives hon. members the opportunity to deal with a question which is always extremely important not only to them but also to all Canadians in general.

When we are speaking about the Central Mortgage and Housing Corporation and its importance it seems that all hon. members and especially those from urban ridings have complaints and remarks to make in the House. The Central Mortgage and Housing Corporation has become a gigantic organization and we can judge its value when we analyze the problems which it has not yet settled.

When visiting foreign countries we can see what kind of housing policy they have. If they have only one-family units we can see that the government policy or the policy

[Mr. Stackhouse.]

of the organization in control of housing is family-oriented.

However, when we find that in certain countries housing is more and more oriented towards the construction of high-rise apartment buildings 25, 30 or 40 stories high, we can say that the housing agency of this country is oriented towards the building of non-family units.

This is why I have to conclude, after over 10 years in the House, that as time progresses the further the Central Mortgage and Housing Corporation gets away from a family housing policy in favour of a community policy under which families will be piled up one above the other whereas, in my opinion, the Central Mortgage and Housing Corporation has been created first to promote construction of single dwelling houses, not 40- or 50-storey buildings, as is being done in all Canadian capital cities.

The Central Mortgage and Housing Corporation should also set for itself the primary goal of ensuring good quality housing. When considering what has happened in that field over the last five years for instance, we unfortunately have to recognize that far from improving the quality of housing is deteriorating from day to day.

In my opinion, the Central Mortgage and Housing Corporation was established with a view to protecting the consumer. Now, with so many complaints being heard from everywhere, we have to admit that the consumer is enjoying less and less protection. This is the reason why I believe that before long the government will have to review entirely the objectives of the Central Mortgage and Housing Corporation, whose purpose should be to promote the development of housing in Canada.

But today, instead, we can readily see that this organization, far from promoting housing in Canada, has become a housing control tool. The president of DOMTAR, Mr. Jack Cochran, in his Construction Manual, an excerpt of which was published in the *Canada Month* magazine, said that the Central Mortgage and Housing Corporation has become—

[*English*]

—(the most controlled and regulated business in the country).

"With relaxation of control as a very real prospect, there is no need for pie-in-the-sky dreaming of futuristic plastic cocoons which will emerge from the scientists' laboratories to somehow solve the 'housing crisis'. Instead, and industry of traditional entrepreneurs will be free to seek out a way to beat out the competition in the market place.

"That to me is a much more efficient way to get more and better housing than for a paternalistic government to step in an take over the responsibility.

[*Translation*]

Mr. Speaker, to recapitulate the way of thinking of the Domtar chairman, he does not believe in the efficiency of Central Mortgage and Housing Corporation, which is using paternalistic methods in the housing field. He would rather have assistance granted to builders to implement a healthy housing policy. Nowadays, the Canadian house building industry is deteriorating instead of improving and owning a house has become an impossible dream for nearly 90 per cent of the Canadian people.

People no longer believe in it because of the policy of this government and previous governments which have not been cautious enough to eliminate the economic

causes which have placed us in a situation where the average individual believes that owning a family home has become irrealistic, a dream they no longer think about.

I have here the statement made by the hon. Secretary of State for Urbain Affairs (Mr. Basford) in Ottawa on January 22 or 23 at the federal-provincial conference on housing:

Right to housing—

He was making pious wishes—

—I stated recently in Parliament that every Canadian has a fundamental right to proper housing at a reasonable cost. I said and I repeat here that housing is not merely an economic commodity to be bought and sold according to the whim of the market, but a social right.

The minister himself said that last January. I continue:

I believe that every Canadian can reasonably expect it and that Canadians rely on their national government to be treated with justice and to have an equal chance to enjoy part of the wealth of the nation wherever they live.

Mr. Speaker, the hon. member for Scarborough East (Mr. Stackhouse) who spoke before me said that the average house in Canada now costs $31,000 and that according to the forecasts of Canadian builders the same house would be worth over $59,000 in 1981. In other words, at the pace things are going, property in Canada will have nearly doubled over eight years and that is without taking into consideration the rates of interest which are part of the cost of a house but are not included in the original price.

Is this what the minister means by good housing at a reasonable price?

It is all very well to voice pious wishes in this House, but no part of Bill C-133 deals with interest rates and, in my view, this is where the minister is misled and where he will never be able to achieve what he referred to in his speech in January, when he talked of a reasonable price for housing.

Mr. Speaker, interest rates have begun to change; I cannot give the history of interest rates for the past 50 years, but on January 21, 1957, the late hon. Robert Winters said that interest rates for housing had risen from 5½ to 6 per cent, according to the official announcement which he made in the House of Commons, as recorded on page 451 of *Hansard*.

So, interest rates were raised from 5½ to 6 per cent. Today, Mr. Speaker, these rates are no longer at 6 per cent. This government has allowed interest rates to rise to incredible heights. Here is the gist of Télémédia's editorial of January 8, 1969:

It is not by raising the interest rate on loans from 8½ to 9 per cent, as the Central Mortgage and Housing Corporation did on January 1, that the government will encourage Canadians to build. Nor is it by keeping the 12 per cent tax on building materials that the government will encourage contractors to undertake the construction of building complexes.

And on January 4, 1969, the President of the Association des constructeurs d'habitations du district de Montréal, Mr. Albert Gagnon, listed the government's mistakes in the field of housing. As President of the Montreal housebuiders' association, he must know what he is talking about.

Not one of the recommendations he made in January 1969, more than four years ago, is to be found in the bill before us.

• (1740)

For instance, Mr. Gagnon stated, concerning mistakes made by the government, and I quote:

increase in the current rates of all loans agencies. Conventional loans could readily reach 11 per cent and over;

slow-down in the production of new homes, leading to a shortage;

spiraling of unemployment, a situation in contradiction with a policy geared to a "just society"

rise in rents, which will bring about an increase in the cost of living;

increasingly pressing union claims for salary increases, which will contribute to aggravating inflationary trends;

citizens will be denied the legitime right to live in a decent home, or to own their own homes.

Mr. Albert Gagnon, a former president of the Home Builders Association, formulated recommendations, which were ignored.

The editorial of *Montréal-Matin* for May 3, 1969 repeats about the same thing about interest rates.

I could quote several other articles, some of which are signed by economists who dealt with interest rates on mortgages.

I have here a table showing that a loan on a $30,000 house, at 9 per cent interest, over a period of 25 years, requires monthly payments of $248.40. I doubt that most Canadians can afford to pay $248.40 a month.

It was all very well for the minister to express pious wishes in January at the federal-provincial conference on housing, but when a man has to borrow $25,000 or $30,000 to build a house or get it built, and to pay $248.40 a month to back the principal and interest, it must be recognized that 90 per cent of Canadian taxpayers cannot afford to do so.

If a $30,000 loan is financed at a rate of 9 per cent, the owner will have to pay $74,524 in capital and interest, which means that he will have paid $44,524 in addition to $30,000. In view of the current interest rate and the booklet on insured loans published by the minister and in which no figure is provided, it can be assumed that the same principle would apply to the construction of an appartment building.

I am afraid that the Central Mortgage and Housing Corporation would have something better to do than let financiers take advantage of small tenants or owners. Indeed, if a tenant lives in a house whose owner must pay a 10 per cent rate of interest, automatically the tenant will discharge most of the payment.

The Central Mortgage and Housing Corporation has a social role to play and such a role would be much more effective than the part it now plays.

That is why the minister has not concerned himself with the interest rate in his bill. That is why housing in Canada is still only a dream for all citizens because the federal government a few years ago eliminated the ceiling on interest rates, which has been the direct cause of the

increase of housing costs to which has contributed the sales tax on building materials.

There is another point the minister does not mention in his bill nor in any of his speeches in the House or elsewhere, that is the opportunity to recommend to the provinces in need of housing and faced with that problem to deduct from taxable income school taxes, municipal taxes and interest paid on mortgages. The Minister of National Revenue (Mr. Stanbury) has never been urged to do so either.

Not only is the Canadian being exploited when he spends a large part of his income to pay usurious interests, but the interest paid to housing financiers is not deductible for tax purposes.

Mr. Speaker, I suggest these are not only wishes but recommendations that have already been made by members of the Social Credit party, contractors' associations and other agencies involved in housing. Unhappily, the bill which is now before us does not even mention any of these recommendations. It refers to only loans granted to cooperative associations.

The whole bill is not to be rejected outright, but it proposes only temporary solutions which will not settle our housing problem. I would not like to offend the minister but, unhappily Bill C-133 is not the answer to the housing problem because it does not strike at the root of the problem and the Central Mortgage and Housing Corporation is only trying to stop the advancement of family housing instead of boosting it.

It seems to me that the minister should take another look at the first purpose of the Central Mortgage and Housing Corporation in order to find to what extent the corporation is getting away from it. I suggest that the minister might render a great service to the people by reviewing the objectives of this agency and putting it back into its original context.

Mr. Speaker, at least Bill C-133—and this is the main thrust of my remarks—could provide for rolling back interest rates to the 1957-58 level. It would be possible for the federal government to do so, as it has the use of the Bank of Canada and CMHC. There is no need to create new agencies, as we have the necessary machinery in the House of Commons. We only have to use it, to put the Bank of Canada at the service of CMHC so that we can get loans at lower interest rates for the benefit of Canadian families.

Indeed, imposing 10 or 11 per cent interest rates on 30-year loans is not doing a service to the Canadian people, and neither is the 12 per cent sales tax on building materials. The government talks about unemployment and at the same time it says that we must put the economy back on the track. However, everything it does, through interest rates and taxes, tends to stifle the economic system, paralyze the housing industry, squeeze the taxpayer and dispossess the tenant and the owner.

• (1750)

[*English*]

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, there is little proof, judging from recent statements by the minister responsible for housing, or from housing legislation recently introduced in the Commons, that the government understands the current housing situation in Canada. Because the government does not understand the current situation, no concrete steps have been taken to alleviate the housing mess in this country.

For example, the Throne Speech promised amendments to the National Housing Act which would enable a person earning $100 a week to buy a house for $90 a month, and that grants would be made to homeowners to fix up buildings. This plan to subsidize monthly payments for low-income home buyers looks as though it will enable many people, who could not otherwise purchase a home, to do so. But is this really so? After all, when the federal government subsidizes monthly principal, interest and mortgage payments to bring them down to $90 a month for low-income families, that will not enable a person to purchase a $40,000 house, and that is the average price of a new house in metropolitan Toronto today. What type of housing, then, are these persons eligible for? Land is so expensive in Toronto that in 1970 it made up 35 per cent of the cost of a new NHA bungalow.

I would like to suggest that the federal government should proceed with further projects such as were undertaken in Winnipeg. The Housebuilders' Association of Winnipeg and the University of Winnipeg's Institute of Urban Studies have together begun a program to build three houses in areas where only one stood previously. These houses are located in the lower income core of the city. In this area, 20 per cent of the land is vacant, and 20 per cent of the houses are too run down to renovate. The new buildings to which I refer are single family detached houses, with their own entrances and their own small yards, providing the basic shelter that most people desire. The first of these houses was recently offered for sale at $13,000, with a down payment of $600, and monthly payments on a 40-year mortgage of around $84, not including taxes. A similar project is being planned for parts of Toronto by the Ontario Housing Corporation. It appears obvious to me that the federal government should consider the feasibility of encouraging projects such as these in all the large urban centres in Canada.

In dealing with the housing crisis in Canada, the government would be wise to listen more attentively to the demands of the municipal and provincial governments. The minister would also do well to listen to the advice being offered by the people who are building the houses. Many developers feel that single family housing could be provided in many urban areas at half the present price, if only they were given the co-operation of the various governments in place of the many current restrictions they encounter. The project in Winnipeg to which I have just alluded is not subject to a great many other restrictions that are in effect in most Canadian cities. Because of this, it is possible to sell a house for $13,000.

Developers maintain that if the provincial governments financed water and sewer services for privately held land that is ready for development, this would flood the market with serviced land and would drive down the prices on serviced lots. Developers also say that if governments relaxed their long list of restrictions on new subdivisions, such as minimum lot sizes, stipulations as to the type of building materials, and the requirement of elaborate local

servicing, prices would go still lower. The federal tax on building materials is also a factor in the high cost of housing. The 11 per cent tax is particularly hard on the small contractors and building companies for it prevents them from competing with the larger developers. In Toronto, contractors say that an over-supply of serviced lots would be created by the implementation of the above-mentioned measures.

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. member, but it being six o'clock this House stands adjourned until tomorrow at two o'clock.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 22, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

AUDITOR GENERAL

ANNOUNCEMENT OF APPOINTMENT OF JAMES JOHNSON MACDONELL

Right Hon. P.E. Trudeau (Prime Minister): Mr. Speaker, I have the pleasure to announce to the House the appointment by the Governor in Council of Mr. James Johnson Macdonell as Auditor General of Canada, effective July 1, 1973.

Mr. G. R. Long, the present assistant Auditor General, has been appointed as acting Auditor General effective March 25.

[*Translation*]

Mr. Macdonell will be replacing Mr. Maxwell Henderson who, after 13 years of loyal service reaches on March 24 the compulsory retirement age laid down by the Financial Administration Act.

[*English*]

Wishing to secure the services of an outstanding member of the accounting profession, the government asked senior partners of accounting firms across the country to suggest the names of persons who would be suitable for appointment as Auditor General.

Mr. Macdonell was one of those who were thus highly recommended and I know that he will fulfil his duties with the required skill and competence.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I will reply very briefly to the very interesting statement by the Prime Minister (Mr. Trudeau) simply by saying that I hope the newly appointed Auditor General will be as effective, independent and objective as the previous Auditor General.

Some hon. Members: Hear, hear!

Mr. Baldwin: We trust that in the exercise of his duties he will continue to put the fear of the Lord into this government. When the government changes, in the unlikely event that we do anything that we should not we hope he will do the same to us.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we welcome the unusually swift action of the government in dealing with this matter. We are pleased to note the method that the government has used in securing the name of a person for recommendation to this important post. We wish Mr. Macdonell well in the performance of his duties as a servant of this parliament. I am also happy to echo the sentiments expressed by the hon. member for Peace River (Mr. Baldwin). We hope that the new Auditor General will indeed put the fear of the Lord into whatever government sits to Your Honour's right.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I think this is a good opportunity to thank Mr. Henderson for his services to this country. A number of us have had occasion to appreciate his many contributions of evidence to the Committee on Finance, Trade and Economic Affairs.

We are confident that his successor will give the same degree of satisfaction to hon. members, both in committee and in his annual reports. We also hope that the new Auditor General will not have cause to complain of a lack of staff to help him fulfil his duties. It is all very well to pick competent people for important jobs, but the checking of public accounts also requires the training of competent personnel in sufficient numbers to enable the Auditor General to do his job properly.

We therefore trust that the new Auditor General, whose competence we do not question, will have at his disposal adequate staff and funds to enable him to carry out his task efficiently.

* * *

[*English*]

CANADA DEVELOPMENT CORPORATION

SALE OF POLYMER TO CORPORATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise on a matter of urgent and pressing necessity to seek unanimous consent of the House under the provisions of Standing Order 43. The motion arises from the vote taken two days ago in the Standing Committee on Miscellaneous Estimates on the question of the $1 reduction in the Polymer Corporation estimate, from the subsequent statements by the Minister of Finance (Mr. Turner) and the Prime Minister (Mr. Trudeau) to the effect that the sale of Polymer to the Canada Development Corporation cannot be rescinded, and from the fact that the government failed to table the annual report of Polymer.

I therefore move, seconded by the hon. member for Fraser Valley West (Mr. Rose), that:

> The question of the sale of Polymer to the Canada Development Corporation, its legality and its merits, be referred to the Standing Committee on Miscellaneous Estimates for investigation and that the committee report its findings and recommendations to the House within two weeks.

Sale of Polymer Corporation

• (1410)

Mr. Speaker: The motion proposed by the hon. member for Assiniboia is submitted to the House under the terms of Standing Order 43. It requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

Mr. Knight: Mr. Speaker, I rise on a point of order. I wonder whether it ought not to be recorded that the Minister of Finance said no.

Mr. Speaker: Order, please.

* * *

[*Translation*]

COMMUNICATIONS

TABLING OF GREEN PAPER AND LETTER SENT TO PROVINCIAL MINISTERS

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table, in the two official languages, the green paper entitled "Proposals for Communications Policy for Canada—A Position Paper of the Government of Canada."

I should also like to table copies of the letter I sent to the provincial ministers in charge of communications, suggesting that a federal-provincial conference be held.

[*English*]

On the order: Introduction of Bills.

Mr. Rose: Mr. Speaker, I rise on a point of order to seek the unanimous consent of the House to introduce a bill without notice to prevent the government from selling three other Crown corporations, Eldorado, Panarctic and Northern Transportation Company, as listed in the Canada Development Corporation Act.

Mr. Speaker: Order, please. The hon. member will appreciate that there is already some difficulty about motions under Standing Order 43 without having introduction of bills without notice. If the hon. member wants to introduce a bill, he will have to follow the usual procedures prescribed in the Standing Orders of the House.

Mr. Rose: Thank you, Mr. Speaker. May I say I have noticed on a number of occasions that public bills have been introduced without notice when there is urgency. In view of the urgency in this case, I respectfully request Your Honour to put the question.

Mr. Speaker: Order, please. The hon. member is completely wrong. There is no precedent for what he is suggesting. His notice is obviously blurred in some way because there is no precedent for the procedure he is suggesting at this time. Oral questions.

[Mr. Knight.]

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege that is probably a double-barrelled one. First, I wish to apologize to the Clerk of the House. Upon closer perusal of the list of reports and returns to be made to the House of Commons under Standing Order 82(1), I find after a diligent search that on page 32 the Polymer Corporation Limited annual report is listed. I believe that yesterday I averred that it was not. That only strengthens the question of privilege I now raise with respect to the tabling of that report which is required to be tabled within 15 days after receipt.

I again ask the government to have that report tabled because my information is that it has been received, and we are well beyond 15 days since the Minister of Supply and Services (Mr. Goyer) received it. In addition, Order in Council P.C. 1972-1715, dated July 27, 1972, contains the following as a condition of the sale of Polymer Corporation in sub-paragraph (d):

> The Government shall recommend to Parliament legislative action to delete Polymer Corporation Limited from Schedule D of the Financial Administration Act, thereby terminating the Corporation's status as a Crown Corporation;

That legislative action has not been recommended to the House. There has been no legislative action. The estimate has been defeated. The Crown Corporation is alive and doing well. The minister, by virtue of the law, should now table the accounts of the corporation as audited by the Auditor General.

Mr. Speaker: Order, please. The hon. member for Yukon has risen on a question of privilege. If I were required to rule at this point I would be inclined to say there is not a prima facie case of privilege that should be debated. Perhaps there is a point of order that should be commented on by the minister. For this purpose the minister might wish to comment, which apparently he does as he sought the floor a moment ago.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supplies and Services): Mr. Speaker, I merely wish to say that under the act, if we were to table Polymer's financial report, we would have to do so before April 15 because the act specifies that the company has up to three months after the end of its financial year to send its financial report to the minister in charge, and that the minister has 15 days to table it in the House.

This having been said, the act also states that the Auditor General's report is part of the annual report of the company. This means therefore that the report of the Auditor General cannot be tabled in the House before I have received Polymer's financial report.

[*English*]

Mr. Nielsen: Mr. Speaker—

Mr. Speaker: Order, please. I hope we do not become involved in a debate on this point of order because the Chair had called oral questions a moment ago. The hon. member for Yukon apparently rises on the same point of order.

Mr. Nielsen: On the same point of order, Mr. Speaker, to point out very briefly to the minister that I do not know

where he obtains his advice but if it is from the same minister who made the decision on the temporary wheat measures I would question the advice. The law clearly indicates that the report should be tabled within 15 days of receipt of it by the minister, not by the corporation. Those 15 days have gone by.

Mr. Speaker: Perhaps the hon. member could pursue the debate tomorrow. The Chair will recognize the Leader of the Opposition.

ORAL QUESTION PERIOD

TRADE

CRITICISM BY UNITED STATES OF DREE PROGRAM AND PROPOSED FOREIGN TAKEOVER LEGISLATION— REPRESENTATIONS TO PROTECT CANADIAN INTERESTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, this question is directed to the Prime Minister. In view of the expressions of criticism that have emanated from the United States with regard to the DREE program, the possible loss of jobs and the effect on United States exports with regard to the proposed foreign takeover legislation, what measures has the right hon. gentleman's government taken to convince the United States government that these are in fact appropriate policies for Canada to pursue in Canada's interest and are not harmful to the United States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have heard the Minister of Trade, Industry and Commerce discuss representations that have been made, but I would refer the Leader of the Opposition to the minister for any details of such encounters.

Mr. Stanfield: In view of the criticism that has been made by the United States, has the Prime Minister taken this matter up directly with President Nixon?

Mr. Trudeau: No, Mr. Speaker.

Mr. Stanfield: In view of the fact that President Nixon today in an address entitled "First International Economic Report to Congress" seems to have attacked Canada in respect of both the DREE program and by inference at least the proposed legislation and is seeking tariff measures with a view to taking action against Canada and other countries on this basis, would the Prime Minister be good enough to get in touch with President Nixon and protect the interests of this country?

Mr. Trudeau: I certainly appreciate the suggestion. I would perhaps find it advisable first to take cognizance of the statement that the President is alleged to have made.

• (1420)

INCOME TAX

NEED FOR REDUCTION IN CORPORATE TAXES IN LIGHT OF PROFITS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Finance arising out of a survey that has been made of 305 companies which shows that their corporation profits after taxes—I repeat after taxes—for 1972 exceeded their profits for 1971 by over 24 per cent. May I ask the minister if this does not obviate the necessity for any reduction in corporate taxes, and is the minister considering revising the tax bill which he proposes to present to the House?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have not looked into the survey referred to by the hon. member. I assume it is the survey that was reported in the *Globe and Mail*. I should draw to his attention and that of the House that 1971 was a bad year—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): —and that the increase in 1972 over 1971 therefore is to be expected. I also want to say to him at the same time that year over year we had 250,000 more jobs in 1972 over 1971. In any event, I think that the recent announcement by the President of the United States underlines the necessity for the measures I announced to the House.

Mr. Douglas: In view of the fact that in 1971 corporation profits after taxes showed the highest increase of any year since 1964—

Some hon. Members: Oh, oh!

Mr. Douglas: —and in view of the fact the survey to which I referred shows that the food processing industries increased their profits by 31.3 per cent for the year 1972 and 37.7 per cent for the last quarter of 1972, which indicates that it is the food processing industry and not the farmers who are getting the benefit of rising food prices, may I ask the minister if he intends to take any steps to stop this unconscionable profiteering out of the food that Canadians have to purchase by way of an excess profits tax or any other measure?

Mr. Turner (Ottawa-Carleton): I am not going to accept the full tone of the preamble to the hon. member's question, but I would say that that matter is currently under study by a committee of the House.

Mr. Douglas: As a last supplementary question may I ask the minister if he intends to take any steps or if he will outline the reasons why he is not going to take steps to deal with this situation, or is the House to take it for granted that he is perfectly satisfied to see this profiteering by the food processing industry of this country continue?

Mr. Turner (Ottawa-Carleton): I am no more satisfied than is the hon. gentleman with the price of food in this country. As to the cause, that is an issue that is before a committee of the House. In terms of action, I refer the

hon. member to the budget speech of February 19, 1973, which contained a number of measures that have as their ultimate purpose the relief of the cost of living in this country.

* * *

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the hon. Minister of Transport.

Does he think that the creation of a Canadian merchant navy could be delayed by a lack of sailors?

[*English*]

Mr. Speaker: The hon. member for St. Paul's.

* * *

THE CANADIAN ECONOMY

FOOD PRICES—STATEMENT BY MINISTER OF AGRICULTURE—GOVERNMENT POLICY

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is for the Prime Minister. Was the Minister of Agriculture expressing the policy of the government yesterday in Moncton when he stated that food is a bargain at today's prices which could go up even more and that consumers are making an unnecessary fuss about food prices because they cannot buy on credit or they tend to confuse more expensive non-food items with real food items when they go to the supermarket?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, surely the hon. member should realize that these are not statements of policy; they are matters of opinion.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: What are they, just dreams?

Mr. Atkey: In view of the fact that this whole question is under advisement by a special committee of the House and there appears to be a conflict in the cabinet between the views of the Minister of Finance and the views of the Minister of Agriculture, would the Prime Minister really tell the House what the government's policy is?

Mr. Trudeau: Mr. Speaker, the government's policy has been stated by the Minister of Finance a moment ago.

* * *

CANADIAN BROADCASTING CORPORATION

REASON FOR REDUCTION OF NEWS AND PUBLIC AFFAIRS COVERAGE EMANATING FROM OTTAWA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, on March 14 I asked a question of the Secretary of State. I asked him whether or not a new policy had been introduced of reducing news and public affairs coverage out of Ottawa, and also why the program "Encounter" had been cut in half. He was kind enough to get in touch with me personally, but I think the House and the country should know the answer to that question.

[Mr. Turner (Ottawa-Carleton).]

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I appreciate the opportunity afforded by the right hon. gentleman's question to get on the record the answer I gave to him privately by mail. I will paraphrase some of it, if I may.

In reply to the first part of the question, the CBC informs me that it has no intention of reducing its news and public affairs coverage from Ottawa but, rather to the contrary, additional appointments of reporters to the CBC parliamentary news staff will be made within a matter of weeks.

Mr. Woolliams: That will be a help.

An hon. Member: Oh, God!

Some hon. Members: Oh, oh!

Mr. Faulkner: Mr. Speaker, I am glad that the answer to the first part of the question was well received. The second part of the question concerns "Encounter". The reduction in the number of "Encounter" programs to be broadcast during the coming year was made in order to accommodate a new reportorial series called "Newsfile" which is being produced by the CBC news department. While the new series will only occasionally originate from Ottawa, its focus will frequently be on the federal political scene. The "Newsfile" program will not interfere with the scheduled summer series of "Encounter" which will be broadcast in July, August and September.

The answer to the third part of the question is that the CBC Ottawa public affairs unit, responsible for the "Tenth Decade" series, continues as a cornerstone.

Finally, so far as the CBC attitude toward the relative importance of Toronto and Ottawa as sources of national news is concerned, it should be noted that the CBC maintains a staff of seven parliamentary reporters in Ottawa, to be expanded in the future as noted above, while Toronto has a complement of two.

Mr. Diefenbaker: Mr. Speaker, can the minister advise with reasonable certainty that those who participate in "Encounter" from the Press Gallery, including that unusual wit, Charles Lynch, will not be deprived to the Canadian people?

Some hon. Members: Oh, Oh!

SUGGESTED INCLUSION OF NEWS FROM ATLANTIC PROVINCES AND WEST ON NATIONAL BROADCASTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, can the Secretary of State tell us that the CBC, in considering realignment of its news services, will take into account that the nation is entitled to a national news broadcast concerning Canada and not merely a compendium of international tidbits and crisis situations? How about including some news from the Atlantic provinces and the west on the national network?

Some hon. Members: Hear, hear!

ENERGY

BRITISH COLUMBIA PROPOSAL TO USE RAIL TRANSPORTATION FOR ALASKAN OIL—STUDIES BY FEDERAL DEPARTMENT—QUEEN'S UNIVERSITY STUDY

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It deals with the British Columbia proposal for the transportation of oil by rail from the Alaskan fields. Will the minister tell the House specifically what studies his department is now doing with regard to assessment of that proposal?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have examined the publicity documents that Mr. Barrett made available to the United States authorities before he brought them to Canada—

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): —and we have now dispatched a telegram, after discussions between the relevant departments federally, to the British Columbia government asking if there are any background studies of any kind on the basis of which that proposal was put forward. As of this afternoon, I am afraid I cannot report to the hon. gentleman whether there has been a response.

• (1430)

Mr. Leggatt: In view of the minister's answer would he now tell us what specific assessment his department has done with regard to the Queen's University rail study which has been in his hands for most of 1972? What assessment has his department made with regard to the movement of oil by rail on the basis of the study he has had for nearly a year?

Mr. Macdonald (Rosedale): Mr. Speaker, instead of what would be a rather long answer I will attempt to cut it short. While the Queen's University study, which was in part financed by the government of Canada, does indicate some interesting possibilities, it is also clear from discussions with appropriate authorities, including Canadian National Railways, that a great deal more will have to be known about some aspects of the solution proposed by that study. My own department, the Department of the Environment and the Department of Transport are giving that early and careful attention since this is one possibility that should be focused on before any decision is made on a Mackenzie pipeline.

SUGGESTED GOVERNMENT INITIATIVE TO FORM CONSORTIUM TO BUILD MACKENZIE VALLEY PIPELINE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question arises from the answer just made by the minister as well as the answer he gave me on March 19 when I pointed out that a Congressional hearing in the United States is to decide whether to transport crude petroleum by supertanker down the west coast of Canada through international waters. The minister said on that occasion that it was in the jurisdiction of the National Energy Board to make the decision on any application. Will the minister bring together a consortium so that an application will be placed before the National Energy Board in light of the fact that the taxpayers have a considerable amount of money invested in Panarctic and the Canada Development Corporation? Does the minister not consider that his department should take the initiative so that the United States will know where we stand in Canada's national interests?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman is confusing two points, the question of whether or not the National Energy Board should entertain an application as opposed to measures taken just over a year ago by myself and repeated on a number of occasions since then to the American administration with regard to the facts of the Mackenzie Valley route as a possible route for an oil pipeline. With regard to Panarctic, I point out that their oil assets are not in the Mackenzie Valley but in the high Arctic islands about 1,500 miles farther east of the Mackenzie Valley, so Panarctic does not seem to be an obvious component of such a consortium.

Mr. Speaker: Order, please. There are a number of supplementaries. The hon. member for Calgary North has a supplementary after which I will recognize the hon. member for Bellechasse and return to the other supplementaries.

Mr. Woolliams: May I ask in clear terms if the minister has made the government's position clear in reference to pipelines down the Mackenzie Valley to carry gas or crude petroleum? Has that position been made clear, or is the minister going to continue to hide under the jurisdiction of the National Energy Board and offer no firm policy in this regard?

Mr. Speaker: Order, please. I would not think that a question asked in those terms is in order. The hon. member for Bellechasse.

Mr. Woolliams: May I rephrase—

Mr. Speaker: The Chair will allow the hon. member to rephrase the question but we have to try to make some headway.

[*Translation*]

I was about to recognize the hon. member for Rimouski but he will have to wait. The hon. member for Calgary North has a supplementary.

[*English*]

Mr. Woolliams: I will leave the last part off.

Some hon. Members: Oh, oh!

An hon. Member: Leave the first part off.

Mr. Woolliams: If my friends want to take more time, that is all right with me. Has the minister made the government's policy on pipelines and Canada's interests clear in light of the fact the United States will decide to use supertankers if we do not move in?

Mr. Macdonald (Rosedale): Mr. Speaker, we have made quite clear to the United States administration all the

work that has been done by this government on the Mackenzie route and indeed on its possibilities as a route for shipping Alaskan oil. With regard to the ultimate decision in this regard, parliament has decreed that on a pipeline application of this kind the facts and proposals should first be put to the National Energy Board and it is only after a positive decision by the board, that the government must then take a decision. I propose to follow parliament's instructions in this regard.

* * *

[*Translation*]

FINANCE

REQUEST THAT QUEBEC POLICE BE SUBSIDIZED BY FEDERAL GOVERNMENT—MINISTER'S POSITION

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

Has he examined the submission of Quebec Justice Minister Jérôme Choquette, that the Quebec Police Force should be subsidized in the same way as it is done in other provinces for the RCMP and could he tell the House what will be his attitude on that matter?

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker, I examined it. I must remind the House that according to the February 19 budget, Canadian provinces will receive through equalization payments an amount of $200 million, including approximately $80 or $85 million for the province of Quebec.

* * *

FLOODS

ARGENTEUIL-DEUX-MONTAGNES—INQUIRY RESPECTING REQUEST BY QUEBEC FOR ASSISTANCE

Mr. Francis Fox (Argenteuil-Deux-Montagnes): Mr. Speaker, I wish to ask a question of the Minister of Environment.

In view of the responsibility of the Quebec Department of Natural Resources as regards flooding in that province, could the minister inform the House whether a request for assistance was received from that department to deal with the flooding in the Deux-Montagnes Lake and Mille-îles river region?

[*English*]

Hon. Jack Davis (Minister of the Envifonment): Not yet, Mr. Speaker. However, a request similar to that received from the government of Ontario would certainly be entertained.

[*Translation*]

VILLE DE LAVAL—SHARED-COST PROGRAM TO COMPENSATE VICTIMS—REQUEST BY QUEBEC FOR FINANCIAL ASSISTANCE

Mr. Marcel Roy (Laval): Mr. Speaker, I would like to ask a supplementary question.

[Mr. Macdonald (Rosedale).]

Mr. Speaker: The hon. member for Laval on a supplementary question.

Mr. Roy (Laval): Mr. Speaker, My question is very important to the 4,000 families which were victims of flooding at Ville de Laval.

Could the minister inform the House whether there are provisions for financial help under the shared cost program between the federal government and the provinces to assist those suffering damages caused by flooding or any other disaster?

[*English*]

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker, there is a formula available to any province in which flood damage occurs and where the province has first made settlements in respect of that damage.

Mr. Speaker: The hon. member for Lisgar. Order, please. Perhaps before recognizing the hon. member for Lisgar—

[*Translation*]

I will recognize the hon. member for Laval on a supplementary question and I will then recognize the hon. member for Lisgar.

Mr. Roy (Laval): Mr. Speaker, I would like to ask the minister if such a request has been submitted by the Quebec government under the shared cost program?

[*English*]

Mr. Davis: It has not yet made an application for flooding, Mr. Speaker.

* * *

GRAIN

NATIONAL FEED GRAINS POLICY—DISCUSSIONS WITH FARM ORGANIZATIONS—INTRODUCTION OF LEGISLATION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the minister responsible for the Canadian Wheat Board. Since he has stated at various times that before the end of the current crop year we will have a national feed grains policy for Canada, can he tell the House, first, if he is having negotiations with various farm organizations and, second, if legislation will be introduced so that members of parliament can debate this very important matter?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, to correct the hon. member slightly, what the Speech from the Throne and government policy have indicated is that we will have a proposal in relation to the feed grain situation in Canada to produce equity between different regions and producers. Various possible proposals are being discussed in different ways with different farm organizations. At this time I cannot say definitively whether the proposals that eventually emerge will require legislation.

Mr. Murta: May I ask the minister if in regard to a national feed grains policy a decision has been made to

adopt in principle the concept of a feed grains price to be determined in western Canada, and is the government also giving consideration to easing Wheat Board control over the interprovincial movement of feed grain?

Mr. Lang: Mr. Speaker, the hon. member again used the words national feed grains policy" which I commented on in my earlier answer. We are, of course, not at the point of decision, and a great number of things are being considered as possible courses of action. The exact proposals of the government will be made known after our deliberations are complete.

NATIONAL FEED GRAINS POLICY—PRESERVATION OF FREIGHT ASSISTANCE TO EASTERN AND BRITISH COLUMBIA GROWERS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, can the minister assure the House that in considering the proposals nothing adverse will happen to the feed freight assistance to eastern and British Columbia growers?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the objective of the policy will be to produce a situation equitable to producers in all parts of the country. This is not an easy objective to meet as has been shown by the struggles toward such a conclusion without success by a number of national farm organizations. But I can assure the hon. member that the government will be doing everything it can to promote the cause of agriculture throughout the country.

• (1440)

Mr. Nowlan: In these discussions are the Minister of Regional Economic Expansion and/or the Minister of Transport very directly involved in view of the fact that feed freight assistance is one of the best feeder growth multiplier policies that any government has ever had?

Mr. Lang: Mr. Speaker, in the course of reaching a conclusion the government as a whole looks at the questions which are at issue and so all the ministers will be involved.

* * *

HEALTH

STEPS TO COUNTERACT INCREASE IN CIGARETTE SMOKING

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the increase in cigarette smoking, thought to be taking place mostly among young people, what steps is he proposing to take to counteract this?

Mr. Speaker: Order, please. I hope the minister can reply briefly. It seems to me this is a question of general policy which normally ought to be replied to on motions. If the minister can reply briefly, he will be given the floor for that purpose.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, since my department's budget estimates are now under consideration by the Committee on Health, Welfare and Social Affairs, I think it would be preferable to discuss this matter when my department's budget estimates come before the House.

* * *

[*English*]

TRADE

STUDIES ON DESIRABILITY OF ESTABLISHING TRADING COMPANIES—USE BY FORMER DEPARTMENTAL OFFICIALS NOW WITH INTEREMCO LIMITED

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the establishment recently in Ottawa of the first trading company along lines of those functioning in Japan, can the minister advise the House whether or not his department has had a number of studies done on the desirability of establishing such a trading firm in Canada during the past two years? Has the department done that kind of work?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am sure that the department has done work in the area of trading companies but I cannot be specific as to the number of particular studies that may have been undertaken. I think it is of some interest, perhaps, to the House to know that a number of trading companies have now been formed in Canada over the past two or three years, and I hope that additional trading companies will be formed.

Mr. Broadbent: Can the minister inform the House whether or not his department maintains formal or informal ties with Interemco Limited, which is headed by the former minister of the department and, if so, what is the nature of the ties between his department and that company?

Mr. Gillespie: Mr. Speaker, the relationship between the department and any of the trading companies I have referred to would be of an informal nature.

Mr. Broadbent: A further supplementary, Mr. Speaker.

Mr. Speaker: Order, please. I will recognize the hon. member, but I would hope that there would not be two supplementaries for every question asked between now and the end of the question period. Hon. members will have noticed that we make much better progress and give a chance to more members when we limit the number of supplementaries.

Mr. Broadbent: Mr. Speaker, I will respect that by asking only one further supplementary. Can the minister provide the names of senior officials who have recently left his department and have joined Interemco Limited, and also inform the House whether or not the same officials took with them the studies that were done by his department on the establishment of such a company, and

whether or not these studies have given that particular company an advantage in the Canadian market?

Mr. Gillespie: Mr. Speaker, I am quite unaware of the representation that the hon. member is making, I think, in his remarks, but I will be pleased to examine that situation, as I would any other situation.

* * *

NORTHERN AFFAIRS

OIL AND GAS—SCOPE OF HEARINGS UNDER TERRITORIAL LANDS ACT RESPECTING TRANSPORTATION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is supplementary to an earlier question regarding transportation methods north of 60 degrees. I would direct it to the Minister of Indian Affairs and Northern Development. I wonder if the minister can say if the public hearings under the Territorial Lands Act which he announced on March 1, 1973, will apply to all methods of transportation for oil and gas north of 60 degrees and not be restricted specifically to a right of way covering any pipeline application?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, if there are applications of any other kind for rights of way in the Northwest Territories, I should think the policy that applies to a natural gas or an oil pipeline would also apply to other modes of transportation, including railways.

* * *

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION

TREATMENT OF PRERETIREMENT PAYMENTS TO MINERS AS NOT BEING EARNINGS

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Prime Minister.

Some hon. Members: Oh, oh!

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I certainly hope that, because of the attitude of hon. members opposite, members on my side of the House will not be deprived of the time that is due them in the question period. My question for the Prime Minister is this: As the Unemployment Insurance Commission must consider preretirement payments paid by Cape Breton Development Corporation as earnings because of a contract of service, will the Prime Minister undertake to correct the situation brought about by the corporation when it treated such payments as non-earnings, thereby contravening the Unemployment Insurance Commission legislation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have heard questions along that line before in the House. I believe I drew them to the attention of the responsible ministers. I will do so again.

[Mr. Broadbent.]

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order. It arises from the fact that the Prime Minister indicated that he has brought this matter to the attention of the responsible ministers. May I say to the Prime Minister, on the point of order, that, if this is the case, why is it that his ministers, namely, the Minister of Justice, the Solicitor General and others, have failed to answer correspondence sent on this matter since February 4?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacInnis (Cape Breton-East Richmond): They are not doing their jobs and they are not taking their orders any more.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. MacInnis (Cape Breton-East Richmond): Let them treat the miners the same way they treat some people in Montreal.

Mr. Speaker: Order, please. The Minister of Justice rises on a point of order.

Mr. Lang: On a question of privilege, Mr. Speaker, I simply think it quite inappropriate for the hon. member to make these comments about correspondence, because I think he has been away from his office and has not seen the reply which went to him. We may have had a little trouble with the letter to me which I think had been addressed a few days before he first complained about not receiving a reply. It was addressed to me as Minister of Consumer and Corporate Affairs.

Some hon. Members: Oh, oh!

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of personal privilege, and I think the Prime Minister should pay close attention to it. Would he obtain from the Minister of Justice a letter written to me on March 7 indicating certain actions taken by Cape Breton Development Corporation under section 18 of the act? Would he take that letter, read section 18 of the act, and find out just how wrong the Minister of Justice is about this matter? Section 18 of the act has nothing to do with the letter put forward. He has not even read the legislation and has not paid attention to the complaint in the letter. I suggest that the Minister of Justice—

An hon. Member: Should hire a lawyer.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. I should like to hear the hon. member's point of order or question of privilege. Certainly, he should be given the opportunity to express his views and thoughts, after which we will try to use the last few minutes of the question period.

Some hon. Members: Hear, hear!

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I will wait for members opposite to be quiet so I can tell the Minister of Justice the facts. If he is paying any attention, if he has any concern for the miners of Cape Breton, he should know that the Cape Breton Development Corporation has taken the money and put it into its own pocket. Yet the government is providing thousands of dollars to millionaires in Montreal—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I think the hon. member has stated his point. He would appear to be asking a question. We have something like five or seven minutes before the end of the question period and I do not think we are proceeding in a very orderly fashion if we spend too much time on points of order or questions of privilege. If the hon. member will state his point clearly and briefly, I will try to rule on it, but in fairness to all members we should try to limit as much as possible points of order. I am quite prepared to listen now to the hon. member for Cape Breton-East Richmond.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, the Minister of Justice seems to think he can forget about certain correspondence. I call it to his attention again. Take the Cape Breton Development Corporation legislation, read section 18 of the act, and you will find it has no application whatsoever to the question put to the minister. The minister has completely disregarded the representations I have made to him and he is doing so to the detriment of many miners in Cape Breton.

• (1450)

Mr. Trudeau: Mr. Speaker—

Mr. Speaker: Order, please. I again suggest to hon. members including, if I may say so, the right hon. Prime Minister that I really cannot see what advantage there is to the House in pursuing the matter further. The hon. member has raised a point of order. I think it is more a point of debate. The Minister of Justice has replied to it. The hon. member has suggested that some problem be looked into. It is, in a sense, a representation and the House can assume that the matter will be looked into. With respect, I suggest to all hon. members that we should try to return to the question period.

* * *

PENSIONS

CANADIAN NATIONAL AND CANADIAN PACIFIC RAILWAYS—POSSIBILITY OF IMPROVEMENTS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. Is the minister yet in a position to make a statement to the House concerning improvements in railway pensions, both Canadian National and Canadian Pacific? Also, can he tell the House whether he has been able to persuade Canadian National that its pensions should be at least equal to the pension provisions enjoyed by Air Canada employees and by employees of the federal public service?

Hon. Jean Marchand (Minister of Transport): I think the hon. gentleman knows that negotiations are presently going on between Canadian National, Canadian Pacific and the railway unions and that this subject is being discussed by the parties. I hope this very important problem of pensions will be solved this year, and I am ready to do whatever I can in order to obtain a just solution for the employees.

Some hon. Members: Hear, hear!

* * *

POST OFFICE

REQUEST FOR TABLING OF SAMSON-BELAIR REPORT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is to the Postmaster General. In view of the serious implications that have arisen as a result of failure to implement the recommendations contained in the Samson-Belair Post Office study, will the minister undertake to make this report available to hon. members and to the public?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I have already answered the hon. member who proposed a motion for the production of papers that the document requested is confidential. It is a document concerning the internal running of the department and it is not customary to make such papers public.

[*English*]

[*Later:*]

Mr. McKenzie: The Postmaster General has said that the Samson-Belair Report is confidential, but the government House leader stated he would table the document. Will it be tabled? I should like to draw attention to the seriousness of this situation. In April, 1972—

Mr. Speaker: Order, please. With respect, I suggest to hon. members that we are running short of time. The hon. member, as suggested by his distinguished colleague from the Yukon, might wish to have that matter considered at the time of adjournment tonight.

* * *

INDUSTRY

ACTION TO OFFSET ADVERSE EFFECT ON CANADIAN COMPANIES OF LOW DUTY ON TELEVISION COMMERCIALS IMPORTED INTO CANADA

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Thank you, Mr. Speaker, for recognizing me. It makes the last five days of bouncing up and down worth while. Since my question might affect more than one department of government, I wonder whether I could address it to the Prime Minister. In the light of the findings of the Ontario Select Committee on Economic and Cultural Nationalism that the low duty on the importation of television commercials from the United States places Canadian corporations at a distinct disadvantage compared with American

corporations, does the government intend to take action either to ban the importation of foreign commercials into Canada or to increase the tariffs upon them?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member might wish to consider another way of helping those corporations. That would be by adopting the budgetary measures proposed by the Minister of Finance to help manufacturing industries.

* * *

NATIONAL DEFENCE

POSSIBLE MOVEMENT OF HMCS "TERRA NOVA" FROM SINGAPORE BECAUSE OF CREW SICKNESS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. I am sure we are all sorry to hear of the untimely death of Corporal Nemnook of HMCS *Terra Nova* due to virus pneumonia. It now appears that other sailors have had to be evacuated from the ship because they are suffering from a contagious disease. Could the minister inform the House whether he plans to have the *Terra Nova* remain in Singapore to help forestall any repetition of the sad case of Corporal Nemnook?

Hon. James A. Richardson (Minister of National Defence): The *Terra Nova* will be staying in Singapore for another five or six days. There are five seamen in hospital with Asian flu. Hong Kong type 3 is the type of disease.

Some hon. Members: Explain.

Mr. Richardson: They are not suffering from pneumonia as the hon. member suggested. Our medical officers have assured me that these men are not in danger. Two will be rejoining the ship today and the others will recover fully.

Mr. McKinnon: If the *Terra Nova* remains alongside in Singapore what plans does the minister have for a replacement if an emergency evacuation from Viet Nam becomes necessary?

Mr. Richardson: Mr. Speaker, that is hypothetical.

* * *

TRANSPORT

SHORTAGE OF RAILWAY CARS TO SERVE BRITISH COLUMBIA LUMBER INDUSTRY

Mr. Douglas Stewart (Okanagan-Kootenay): I thought for awhile, Your Honour, that I had lost sufficient weight to become invisible. I do have a question for the Minister of Transport. Can the hon. gentleman advise the House whether he has received representations from the Cariboo Lumber Manufacturers' Association and others in the interior of British Columbia regarding the very serious shortage of railway cars to serve the lumber industry and, if so, will he take immediate action to try to rectify this situation in order to prevent any further employee lay-offs?

[Mr. Beatty.]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, since the beginning of the session I have received many representations on this subject. The hon. members for Kamloops-Cariboo and Skeena have asked me similar questions. I have just received the answer at this very moment.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): That is what I call quick service. The answer is that there is indeed a boxcar shortage in northern British Columbia.

"There is a matter about which Burbidge and Macmillan recently wrote to you about. Although CN and CP several months ago placed orders for new cars to meet the projected demand by the lumber industry, the fact is that the actual demand for cars by the lumber industry far exceeded their projected requirements."

Mr. Speaker: Order, please.

* * *

IMMIGRATION

DEPORTATION OF SUSAN ANDREWS

Mr. Speaker: To show that all hon. members are visible, the Chair will recognize the hon. member for Edmonton Centre.

Some hon. Members: Oh, oh!

Mr. Steven E. Paproski (Edmonton Centre): Thank you, Mr. Speaker. I was beginning to wonder. My question is directed to the Minister of Manpower and Immigration. In view of the inhuman and high-handed treatment accorded to Susan Andrews, will the minister undertake to extend the government's apologies and bring her back at government expense?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not think the treatment was inhuman. I believe anyone who read the facts of the story would conclude that there was a series of circumstances which left the immigration department no alternative but to take the action it took.

Mr. Paproski: What qualifications did Susan Andrews lack that the Happy Hooker has?

Some hon. Members: Oh, oh!

Mr. Andras: I do not think either one had an employment visa.

An hon. Member: Shame!

AIR TRANSPORT

SUGGESTED PROVISION OF SHUTTLE SERVICE BETWEEN TORONTO-MONTREAL AND TORONTO-OTTAWA

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, my question is for the Minister of Transport. In light of the announcement by Eastern Airlines that it will provide a shuttle service between Montreal and New York, has the minister made representations to Air Canada or other airlines asking them to provide a similar service between Toronto-Montreal and Toronto-Ottawa?

Hon. Jean Marchand (Minister of Transport): By Eastern Airlines or Air Canada?

Mr. Stackhouse: By Air Canada or any other air line.

• (1500)

Mr. Marchand (Langelier): Mr. Speaker, I think I have already said in the House that during the last few years we have been negotiating with the United States a bilateral agreement which has not yet been concluded. As soon as it is completed, I will inform the hon. gentleman.

Mr. Speaker: Before calling orders of the day, I believe the hon. member for Ottawa West has a point of order.

Mr. Stackhouse: I have a point of order, Mr. Speaker.

Mr. Speaker: The hon. member has a point of order, so we will hear the first point of order. I understand the hon. member for Skeena also has a point of order, so we will spend the next few minutes on points of order, beginning with point of order number one.

Mr. Stackhouse: Mr. Speaker, my point of order is that I am sure the Minister of Transport answered a question that was not asked. I wonder whether he would direct his answer to the question I put, which was: Has the Minister of Transport made any representations to Air Canada or to any other airline serving Toronto-Montreal or Toronto-Ottawa to provide the kind of shuttle service that an American airline is providing between Montreal and New York? This has nothing to do with international agreements or anything else.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I think there were two possible interpretations of this question, and I picked the wrong one. With regard to the other meaning of the question, I shall inquire of Air Canada and CP Air to find out if they do in fact plan to start such a service.

[*English*]

Mr. Speaker: The hon. member for Ottawa West.

Mr. Reilly: Mr. Speaker, my point of order arises out of a response made yesterday to all hon. members by the Minister of Justice. The minister said with reference to the new bail law, among other things, as reported at page 2459 of *Hansard*:

> The point that hon. members seem sometimes to miss is that under any law, except one that keeps almost every suspect in prison, people will be on bail, and indeed the hardened criminals would be most likely released under a cash bail system, such as the old bail system. So it is not the changes in the law that have caused the problem, and any suggestion that it is, is really doing a disservice to the continued development of the law.

I say this in all humility but—

Some hon. Members: Oh, oh!

Mr. Reilly: Mr. Speaker, the orchestration of these people is really remarkable. There is an increasing number of people in this country who are deeply concerned about, and afraid of the problem posed by the gradual and steady acceptance of violence as a way of life in this community. We have seen that—

Mr. Speaker: Order, please. The hon. member rose on a point of order and he was given the floor in preference to all other hon. members. His point of order has to be related to the Standing Orders or to precedents. I find it hard at this point to determine whether there is a point of order on which the Chair can make a ruling. The hon. member seems to be raising a point of debate. I would invite him as quickly as possible to indicate why he thinks he should have the floor at this point.

Mr. Reilly: Thank you, Mr. Speaker; that is well taken, I suppose.

Some hon. Members: Oh, oh!

An hon. Member: In all humility.

Mr. Reilly: That is right.

Mr. Speaker: Order, please. We have to make progress. I thank the hon. member for his kindness to the Chair, but he should indicate what his point of order is.

Mr. Reilly: My point is this, Mr. Speaker. I thought the minister's remarks, whether intentionally or otherwise, tended to leave the wrong impression with the House. I researched the remarks made by the then Minister of Justice when the law was amended in 1971, and in my opinion it was the intention of the government to create a far different climate surrounding the matter of bail than had hitherto existed, a more lenient climate in which persons suspected of or arrested for serious offences would be let go on their own recognizance when it might have been well that they should have remained in jail.

Mr. Speaker: Order, please. What this has to do with a point of order is really beyond the Chair. This may be a good point of debate. I do not want to be unfair to the hon. member for Ottawa West, but my interpretation of this kind of point is that it is rather a point of debate. There should be opportunities to raise these arguments other than on a point of order. As I say, I want to be fair to the hon. member for Ottawa West and all hon. members, but I have to rule that, although this may be a valid grievance or point of debate, it cannot be considered a point of order. That has to be my ruling, having heard the hon. member.

The hon. member for Skeena has a point of order.

Mr. Howard: I hope so, Mr. Speaker. My point of order relates to the response given by the Minister of Transport to the question put to him by the hon. member for Okana-

gan-Kootenay. The point of order I want to make is that I think the minister misunderstood the force of the question. This is a matter affecting all of British Columbia, particularly northern B.C. where I come from. I think the information that we sought to have from the minister was not about the problem the CNR had, but what the minister was going to do to get boxcars into that part of the country.

Mr. Speaker: Order, please. I think I understand the force of the hon. member's question but not the force of his point of order. He might try his question again tomorrow. The hon. member for Wellington has a point of order.

Mr. Hales: Thank you, Mr. Speaker. I have a very brief point of order which is addressed to the President of the Privy Council in his capacity as House leader. Now that a new Auditor General for Canada has been appointed, I wonder whether the minister would refer to the public accounts committee the bill regarding the Auditor General which was drafted by a special committee composed of the Law Clerk of the House of Commons, the Law Clerk of the Senate, a member of the Department of Justice and a representative from the Auditor General's office?

Mr. Speaker: Again, this may be a valid question but I doubt that it is a point of order. When we reach the end of the question period, hon. members rise and try to put additional questions in the form of points of order. I think that this would be a very valid, interesting and important question that might be asked tomorrow. The hon. member for Cape Breton-East Richmond has a point of order.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, my point is one of privilege which you may eventually consider to be a point for debate. My point of privilege arises from the fact that I have been denied, as a member of parliament, the opportunity properly to represent those people who have sent me here. The justice and legal affairs committee, a committee made up of 20 members mostly from the legal profession, 12 of whom were sitting on the government side of the House, made a report containing a fair and equitable decision which in many ways and some of them most devious, I have been denied the opportunity of bringing about.

The Minister of Justice has referred to a mistake that was made by my office, by myself, when he received one letter from me improperly addressed. However, he did acknowledge the letter, and that being so I wish to point out to the House that all members of the House supported the legislation concerned. A committee of the House stood 100 per cent behind the complaint put forward in the petition that was accepted by the House. Again, I use the word "integrity": I think the House should have the integrity to support the legislation that was passed, which has not been the case.

The minister's letter to me was in reply to one sent to the minister by me on February 21. The letter was received in my office on March 14 and the following statement appears in the letter:

> The decision of the Federal Court was in effect that Parliament had not given the Governor in Council power to make Regulations under the Public Service Superannuation Act, to authorize a Deputy Minister to terminate the employment of a public servant before the normal retirement age of 65.

Then, the minister goes on to say this:

> On the other hand, it is quite clear that Parliament specifically required the Cape Breton Development Corporation, by section 18 of the Cape Breton Development Corporation Act, to make by-laws, subject to the approval of the Treasury Board, for pension arrangements for the benefit of employees who are laid off or retired before the normal retirement age provided for in the by-law—

I have in my hand section 18 of the legislation, and I can quote from the act for the minister's benefit. The act has nothing to do with the establishment of a bylaw, but is concerned solely with pension arrangements. Therefore, I do not accept the minister's words in this respect. I see no difference between parliament authorizing a statutory body to make bylaws and authorizing a minister of the government to make regulations. The position is really the same; both arise from an enactment that has received the support of parliament, and the approach must be the same.

I have referred to devious methods used by the government, and what I mean is this. I have asked the minister to express an opinion on paragraph 2 of his letter, but I have received no reply. I ask the minister to pay particular attention to my reply. The exception I have taken to paragraphs two and three of the letter has been picked word for word from the judgment handed down by the courts. In other words, the part of the letter I have forwarded to the minister in which I took exception to paragraphs two and three has been picked directly from the judgment handed down by the courts.

• (1510)

This is a devious way of going about things. The minister has definitely contradicted the lawyer who heard the submissions in the first place. If the deviousness of this government is not enough, why would the senior partner of the law firm who represented the miners be made a director of Devco? Why is it that money spent by the miners to get what is rightfully theirs will now find its way into the pockets of the board of directors of the Devco Crown corporation? If that is not deviousness, I would like the minister to give some explanation.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I suggest to hon. members that this again is debate. This cannot be considered a question of privilege. I suggest to the House that the hon. member may have a good point for debate. He has made his point, but according to my understanding of the rules and precedents of this House, that cannot be a question of privilege. It ought to be debate. I think there should be an occasion when this very important matter can be considered by the House. I urge hon. members interested in this problem to give some thought to the possibility of reviewing it in one of the committees or on the occasion of another debate. However, it is not a question of privilege.

The Chair called orders of the day a while ago, but I believe the hon. member for Peace River wishes to raise the usual Thursday afternoon point of order at this point.

Mr. Lang: Mr. Speaker, I rise on the point of order. I certainly do not intend to get into a debate on the subject. My point of order is that, while there is obviously a serious question underlying the issue that the hon. member for Cape Breton-The Sydneys continues to raise, he does so in a way—

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker—

Mr. Speaker: Order, please. We cannot have two points of order. The Minister of Justice has risen on a point of order. I will be delighted to hear the hon. member on his point of order, but I remind the House I have called orders of the day. We are now on orders of the day.

Mr. Lang: Mr. Speaker, I simply think that it is appropriate to object to the use of the rules in this way, particularly when earlier this afternoon the hon. member suggested that he had not received replies to earlier letters. He has now agreed that he has received them. He is now asking for a further legal commentary on certain statements in those letters. While it is easy for the hon. member to come forward with instantaneous legal opinions, in our department we try to come up with considered conclusions.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member is rising on a point of order. I will be pleased to hear the hon. member on his point of order. If hon. members want to rise on points of order until five o'clock this afternoon, obviously that is what they want to discuss and we will hear them.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, with regard to my original point of order, I want to once again point out the inability of the Minister of Justice to be accurate. Right off the bat, he referred to me as the hon. member for Cape Breton-The Sydneys. He is wrong again. I thought I had made myself sufficiently well known in the House that I would not be misnamed.

With regard to the legal opinion, I was referring to the letter of February 21. How about answering the letter I sent to the minister previous to that? That has not yet been answered. An acknowledgement is not an answer. The following day the Solicitor General, as a law officer of the Crown, wrote a letter stating that the minister wished to acknowledge receipt of my letter but there had been no legal decisions handed down.

Mr. Speaker: Is the hon. member rising on a further point of order?

Mr. MacInnis (Cape Breton-East Richmond): Yes, Mr. Speaker. I cannot call the hon. member by constituency, but he sits directly behind the Minister of the Environment. He just made a statement while remaining seated which was out of order. It was to the effect that I have been misleading the House. This is what I want to find out. Why is the government misleading the miners of Cape Breton, and stealing from them in order to provide the millionaires in Montreal with LIP grants? Get up on your feet and debate it.

Mr. Speaker: Order, please. I am sure hon. members are enjoying this afternoon. We have further points of order. This is either point of order number seven or number eight. I will be delighted to hear the hon. member for Toronto-Lakeshore.

Mr. Grier: Mr. Speaker, I rise on a point of order to assure Your Honour and the House that some of us are not interested in putting up with a consistent abuse of the rules.

Some hon. Members: Hear, hear!

Mr. Grier: I want to assure you, Mr. Speaker, that you have the support of a great many, if not the majority of members of this House, in enforcing the rules as strictly as you wish.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Up to this point I thought that hon. members may be interested in having a discussion about housing. I am not sure whether that is very important. Before we do, the hon. member for Peace River is rising on a point of order.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I rise to make the traditional Thursday request of the government House leader to state the business of the House for the balance of this week and next week. Can the hon. gentleman advise the House of the government's realistic assessment of the legislative program that it hopes to have before the House between now and Easter?

Mr. MacEachen: Mr. Speaker, I hope we can get second reading of the housing bill today. If that is the case, we will proceed to the report stage and third reading of the War Veterans Allowance bill, and then deal with the report stage and third reading of the Old Age Security Act. Tomorrow will be an opposition day as will Monday. Following that, I will probably call the Foreign Investment Review Act.

With regard to the program that might be completed before Easter, that depends a good deal on my hon. friend, but I will accept the challenge in the expectation that we might be able to give at least second reading to the Foreign Investment Review Act, the Criminal Code Amendment, the Crop Insurance Amendment, the Emergency Gold Mining Act extension, the Wildlife Act, the Residential Mortgage Act, the Fisheries Development Act Amendment and complete the report stages of all bills that have been in committee.

Mr. Baldwin: I wonder if the hon. gentleman would mind advising the House if there are other legislative items not on the order paper now which the government may contemplate putting on the order paper and dealing with before Easter.

Mr. MacEachen: Yes, Mr. Speaker, that is a real possibility.

GOVERNMENT ORDERS

NATIONAL HOUSING ACT

PROVISIONS RESPECTING NEIGHBOURHOOD IMPROVEMENT, REHABILITATION, OWNERSHIP, NEW COMMUNITIES, ETC.

The House resumed, from Wednesday, March 21, Consideration of the motion of Mr. Basford that Bill C-133, to amend the National Housing Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I wish to continue my remarks from yesterday. If Toronto contractors say that an oversupply of serviced lots would be created by implementation of the just mentioned measure, this would soon bring the price of a normal lot to half the present $40,000 plus average. Prices could be reduced even more, to say $5,000, if developers were committed to building single family homes on smaller lots with a minimum of services; a good gravel road, open storm sewers and overhead power lines. By eliminating the sales taxes and in some cases substituting cheaper materials such as aluminum siding for brick veneer, the cost of a house, now about $18,000 to $20,000 for a three bedroom bungalow, in most urban areas, could be reduced to about $15,000. These are the views of the developers and all levels of government should listen to them. What is even more important though, is that the federal government listen to the demands of the provinces in relation to housing.

• (1520)

The $1.5 million study launched recently by the Minister of State for Urban Affairs (Mr. Basford) to discover regional housing needs in Canada is a waste of the taxpayers money. Obviously, various regions in Canada have different problems. All this study will tell us is what we already know. In addition, how is parliament to be subjected to government housing studies? My hon. colleague, the former minister responsible for housing, submitted his task force report on housing in January, 1969. Now, after four years, the government is spending $1.5 million to discover that in this country separate approaches are required in dealing with different regional housing needs. This government refuses to accept the fact that the provinces know more about regional housing needs because, together with municipal governments, they have been building houses and controlling housing. Constitutionally as well, land use and housing are within provincial jurisdiction. But the government refuses to listen to the provinces. Several provinces want the federal government to get out of the housing field and let them take over housing programs if they can be granted the tax revenues to pay for them. The federal government, though, refuses to yield. The block financing, which the provinces temporarily accepted and by which the government will hand over all moneys allotted for housing, will allow the provinces to decide how to best spend the money.

[Mr. Baldwin.]

Hopefully, the provinces and municipalities will see fit to begin assembling land. The best way to enable a low-income person to become a homeowner may be to take the actual cost of land out of the purchase figure. Cities could begin land banking. They should acquire land for residential development and retain ownership on it. Houses should be built on these lands, and then sold. The land, however, should not be sold. A policy such as this would enable the poor to have a home. It would also prevent the land speculation that keeps pushing up the cost of houses. All this though would be a start, but the federal government must heed not only the advice of the developers but also that of the provincial governments. While it is the job of the provincial government to produce housing stock that people can afford, it is the job of the federal government to give them the power to do so.

In closing, Mr. Speaker, with respect to costs, may I say that the monster inflation has got completely out of hand, especially in the area of housing. Here again, figures can be deceptive. A house which was priced at $16,000 in 1960 and today costs $24,000 is not just 50 per cent higher, but in the end turns out to be more like 150 per cent higher because of interest and other charges. By rough rule of thumb, an increase of one per cent in the interest rate adds 10 per cent to the capital cost of shelter, so that the 4 per cent increase in mortgage rates from the early 1960's added a hefty 40 per cent to the consumers' long-term bill for housing. The cost of buying the average NHA house actually doubled in the 1965-1970 period. Back in 1960, about half of Canadian families could afford to buy the average NHA house; now the percentage is more like 10 per cent and in the Toronto area it is closer to 5 per cent. The availability of single family homes for Canadians has almost become extinct. The minister's bill provides too little too late.

Mr. J.-J. Blais (Nipissing): Mr. Speaker, one would have thought that because of our rigorous climate and the amount of investment involved in housing, politicians in Canada would have tended to escape any obligation to deal with that topic. I am sure hon. members on both sides of this House will agree that Canada's record in respect of housing should be the envy of many nations throughout the world. I would suggest that the difficulties faced by previous generations with regard to housing deserve a great deal of our national attention. One need only be reminded of the sod shanties of the great northwest as well as the log cabins of northern Ontario to realize what tremendous strides we have achieved in relation to housing. There is no doubt that the proposals before us do not offer a complete solution to this particular problem. There are still a number of strides to be made. To indicate that the provisions of the act or the amendments proposed would all prove to be beyond reproach would indeed be to engage in day dreaming in colour panavision.

However, I challenge any member of this House to suggest any previous bills with which this House has had the pleasure of dealing which have contained such imaginative provisions and which have exhibited such

serious and concentrated thought. I do not propose to deal with all aspects of the new amendments. I shall content myself with stressing three major aspects. The first is that of co-operative housing and the non-profit association involvement. The second provision with which I propose to deal is that in respect of loans to be made to individuals to facilitate ownership. The third very important topic, to my mind, involves the provisions relating to new communities.

Since World War II, Canada has indeed been favoured by a multiplicity of volunteer organizations which have been engaged, supported by private funds, in assisting individual groups of citizens requiring specialized assistance. This legislation has been inspired by the success of these voluntary associations. The legislation thus inspired is a recognition of the success achieved by these non-profit organizations in the past in providing needed accommodation of good quality. The loans which will be made available to these associations will be in amounts of up to 100 per cent of the lending value of the project with amortization over a period of 50 years. Further, these voluntary organizations will have the advantage of a $10,000 fund which could be employed in planning and preparing their own projects for completion.

[*Translation*]

The bill before us also provides for similar aid to some co-operatives that wish to build, purchase or improve houses and then sell them to their members or to others that are interested in supplying particular groups, most of which are members, with new or repaired housing they have acquired.

The provisions under clause 34 of the bill entitle them to a low rate of interest, a 40-year mortgage, and to a contribution by the CMHC to payment of the capital, interest and taxes.

We will thus have the authority of a statutory regulation to give the underprivileged assistance in paying the principal and the interest, in addition to which they will have access to public funds when paying municipal taxes.

Mr. Speaker, this legislation also goes to show that this government is inclined towards greater social justice and to giving priority to those with small incomes whose needs are greatest.

Moreover, the second class of co-operatives, those that will be renting accommodation, will be providing homes for those who really need them, through non-profit organizations which try to promote greater social justice for this country. Co-operatives formed with that precise purpose in mind will also be eligible for 10,000—dollar subsidies to help with the planning and execution of their projects. The co-operative associations will obtain up to 100 per cent of the loan value of the project. Public funds will be available to them to meet their immediate commitments, that is the payment of interest or municipal taxes.

• (1530)

[*English*]

This brings me to my second point. We saw, when dealing with co-operatives, that these particular projects make it possible for individual citizens without the necessary income to buy their own houses in accordance with the state of the market. The added benefit of this provision is that public funds can be obtained in order to achieve the same purpose. The National Housing Act as amended does indeed provide for assistance to individuals who are unable to buy their own house. They will be provided with a mortgage through CMHC at a low interest rate, lower than the one which exists in the market. They will also be provided with terms of up to 40 years for amortization, and furthermore, they will be provided with public funds, administered under the regulations, in order to help them meet those payments which as a family unit, they might otherwise not be able to meet.

There are but a few pages to this bill. It may not offer solutions to all the problems but, I suggest, it offers solutions to a considerable degree. I suggest that they are directly in accordance with the principles of social justice that have been advocated, not only by this government but generally by all Canadians whatever their political persuasion might be, because we have attempted to provide low rental housing for individuals with low incomes. We have seen governments interfering with the rights of individuals. We have seen governments erecting the buildings, renting them and administering them, and it has frequently been the experience that individuals residing in those particular buildings have not been of primary importance to the administrator.

I suggest to hon. members that under this bill we will be able to reinstate the individual to the important position which he held. The individual will build his home or arrange for its construction, and then he will be able to obtain the necessary financing. If he is not in receipt of a sufficient income to enable him to provide for himself and his family and to meet all the obligations of the contract that he has undertaken, public funds will be made available to him, not as a charity but on a properly administered basis. I would suggest further that the bill recognizes the necessity for people to exercise initiative and it rejects the concept of paternalism. It foresees the complete integration of low income families into our comfortable middle class neighbourhoods without any aspersions being cast on their participation.

As an example of the wisdom of the particular provisions, I will cite a particularly appropriate case. A group of senior citizens can make an application under the provisions of the act to obtain funding to prepare a plan or project. Having prepared and submitted their plan, they can make an application for the financing of that project. They can then ensure the proper execution of those plans, and upon the completion of the project they can benefit from the fruits of their own creation and have the satisfaction of knowing that in the future others with the same needs will be able to reap the same benefits.

The Minister of State for Urban Affairs (Mr. Basford) is to be congratulated for his foresight and inventiveness with reference to the provisions in the bill. Yet, to my mind there are other provisions which are even more startling, and I hope that they are only an indication of things to come. For the first time we have in the House a recognition of the concept of whole community planning, not partial but whole community planning. A fund of $100 million will be set aside and made available, and in conjunction with the provinces, which nevertheless exercise

primary jurisdiction with reference to municipal affairs, it can be employed to plan and to erect communities. That is not a brand new idea, although it is the first time it has been introduced in the House. Indeed, an experiment is being conducted in Minnesota in the United States where complete urban is being undertaken from first principles.

I must call the attention of hon. members to a long standing experiment in the U.S.S.R. Until recently, we did not consider the experiences of that country with such a different philosophy to be of much assistance. However, I was guided to a book by Farley Mowat published in 1970 entitled "Sibir" which deals with Siberia and two trips which the Canadian author has taken into that area. Throughout the book he indicates his amazement at the use that has been made of Siberia, a corner of the earth which has not always received a warm reception in our conversations. I should like to quote from pages 26 and 27 of this book. Prior to this quotation he writes of the development of Siberia and the municipalities in that area, and he goes on to say:

> Between Sverdlovsk and the halfway mark at Irkutsk, there's a string of big cities four or five hundred miles apart. Most of them began in the seventeenth century as forts, trading stations and administrative centres and until the 1930's they were backwoods towns with wooden buildings and mud streets. Most of Siberia was one big backwater in those days. Then in the mid 1930's it began to be obvious what Hitler had in mind and our leaders could see there was a good chance much of European Russia might be overrun. If that happened the Urals were going to serve as our last line of defence.
>
> • (1540)
>
> The government began moving whole factory towns—machines and people—from Western Russia across the Urals. By the time the war ended provincial places like Sverdlovsk and Omsk had turned into industrial cities, and after the war they kept on growing, faster and faster. Siberia came awake with a jump! Within fifteen years the whole western region of the Trans Sib, as far east as Irkutsk, had jumped into modern times. Sverdlovsk, Omsk, Novosibirsk, Krasnoyarsk, Bratsk, Irkutsk, the flame of a new industrial society set each one of them alight in turn. They've got almost four million people between them now, and they'll have double that by 1975 . . .

What does all this have to do with the speech that I am giving, you may ask? I am suggesting that, with the very modest attempt being made now by the Secretary of State for Urban Affairs, we are seeing the concept to city planning in much the same manner as it has occurred in other places. As a northerner who has always advocated greater dispersal of our population into those areas which are apt to be developed in the future by someone else other than ourselves if we do not take the initiative, I welcome the provisions in this particular statute. I think that in the very near future we will see a greater development of this concept.

When I talk about city planning, I do not seek to encourage the concept of satellites to metro Toronto. I am thinking of communities set in virgin lands, where they will become viable. Of course, everything we are dealing with today, such as energy policy, economic policy, cultural policy, is attached to the development of our society. One of the basic concerns now is to try to analyse where we are going, and I suggest that the minister ought to be congratulated for having given us the opportunity to do so.

[Mr. Blais.]

I wish to indicate that I am going to vote for this bill because I think it is a most worthwhile one. I am sure all hon. members would agree that it should be passed without any dissension because hon. members, in conscience, should ensure that their constituents are made aware of all the benificial aspects of this bill so that they will be able to derive the maximum advantage from it. I take it, Mr. Speaker, that the purpose of these debates is to analyse all these provisions to that end, to benefit from them at the time the bill is approved, which I again suggest should be without undue delay.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in my contribution to this debate I propose not to focus on specific details of the bill before us, but rather to speak about general principles.

I am going to argue that federal housing policies, current or proposed, do more harm than good, and that the best thing the federal government could do to help us Canadians with our housing problems would be to leave us alone. Disband the bureaucracies, cut taxes, and let us solve our own problems, with the interference of our local or provincial governments if we choose, but without federal interference, without federal bureaucrats taking our money from us in taxes and spending it as they want it spent rather than as we want it spent.

In some cases local or provincial governments may foolishly pursue policies which, I would argue, do more harm than good. But if a local or provincial government pursues an unsound policy it clearly does less damage than is done by the federal government's pursuing that same policy. Furthermore, as it is most unlikely that all provincial governments would simultaneously pursue the same unsound policy, unless all provinces were to simultaneously suffer Liberal or NDP governments, divergencies in provincial policies would give Canadians the opportunity to study the effects of different policies pursued simultaneously in the various provinces, an opportunity which the federal government denies when it imposes a uniform policy on all of Canada.

The mayor of my city, Vancouver, Art Phillips, has written of:

> "One basic principle . . . That principle is that government should be as close to the people as possible. In Canada, that means that government should be as decentralized as possible."

I agree with him.

Another basic principle that I would like to talk about is the principle that no one can ever say what would make anyone else happy. No one is in any position to tell me that if I were to spend more of my time or money on some things rather than on other things, I would be happier than I am now. All of our individual preferences are purely subjective. There are no such things as objective standards or preferences which will make a human being happy. For any given preference held by you or me, someone prefers the opposite. For example, some people prefer carrots to spinach, while others prefer spinach to carrots. Consider a more extreme example. Although I attach very great value to sustaining my own life, there are people who prefer the opposite: suicide. Their subjective preferences are such that they are happier to choose death than to choose life.

Even more highly than my life, I value my liberty. Other people care little about their liberty, and history shows that such people usually lose their liberty. Some people, fortunately a minority, are pleased that over the last century the state has been progressively consuming our liberty, taking us back toward the serfdom of the dark ages, "turning back the clock", so to speak. I am not pleased with this loss of liberty. In a free society we respect each other's subjective preferences, and we ask of each other merely that each refrain from forcibly imposing his preferences on others, either directly or through the state's power of legal coercion.

You may ask, what does all this have to do with housing? Simply this: There are some people who have some idea of what sort of housing they like. They call their choice of housing "decent" housing. Then, they want to use the power of the federal government to coerce, directly or indirectly, all the people into living in such housing.

If I prefer to spend some of my money on what they call "sub-standard" housing and the rest of my money on other things, then they want to take my money from me in taxes, and spend it on so-called "urban renewal", tearing down my house and building a concrete ghetto for me to live in. I wish they would leave me alone, and stop taxing me and pushing me around. They cannot prove that their way of life is in any objective way any better than mine. Why, then, should they be able, in a supposedly free country, to use the power of the state to force their personal preferences on me? I am quite willing to leave them alone.

It may be argued that some people are so poor that they cannot afford housing more attractive—in our opinion—than the housing they presently occupy, and that the government should build so-called "decent" housing for these people. For the time being let us leave aside a discussion of the ways in which modern governments impoverish people—for example, compulsory mis-education, oppressive taxation, denial of the right to work, and exorbitant tariffs, especially on things like shoes and shirts—in order that we may focus on the distinction between the question of poverty and the question of housing.

If a particular poor person were very much richer he still might not want to change his housing. He may prefer to do other things with his additional wealth or income rather than buy more expensive housing. But whatever he does with his additional wealth, he does precisely that because that gives him more satisfaction than he would derive from any alternative course of action. Some people enjoy hoarding money. I am sure many hon. members have heard of apparently impoverished people who have died, leaving $50,000 or more tucked in a mattress. Many wealthy people choose to live quite modestly. You or I might spend the money differently—if it were ours to spend—in accordance with our respective preferences, but our preferences are not theirs.

• (1550)

If it is really our desire to raise the material standard of living of poor people, rather than push them around and run their lives, then we should abandon the government policies that impoverish them. In place of the present mess of welfare schemes and housing schemes, we should give the poor people the cash presently spent on these things and let the poor people spend the cash in the ways that give them the greatest satisfaction. To build our preferred type of housing for the poor people and to hire thousands of bureaucrats to oversee them in these ghettos is wasteful. The amount of waste is the amount of satisfaction the poor people would gain if they could spend the money themselves on what they consider to be their most urgent needs, over and above the amount of satisfaction, if any, they get from living in the poor people's ghettos that we have been building for them.

Some people say that the price of land is too high and that the federal government should adopt certain measures, such as land banking, to lower the price of land. I will argue shortly that although lower land prices may be considered a desirable end, land banking is not a means that will in reality achieve that end. Instead, land banking will raise the price of land.

The market price of land is determined by supply and demand; this is a fact of nature which government cannot change. If government were to impose legal controls on the price of land, it still could not change the market price, the price at which the seller is willing to sell and the buyer is willing to buy. If government decrees that a certain piece of land shall not legally sell for more than $10,000, if the owner is not willing to sell for less than $12,000 and if there is a buyer willing to pay $12,000, then the government's law cannot change the reality that the market price is $12,000. To please the government, the buyer and seller may state on a piece of paper that the exchange price was $10,000, and pass $2,000 under the table. But the government's laws cannot change the reality of the market price. The government's laws may drive discussion of market price out of the legal market place and into the free market, sometimes called the "black market", but the government's laws cannot change the realities of the market. For example, rent controls in New York City failed to control actual rents, the difference between the real rent and the legal rent being passed under the table as "key money".

Through expropriation, government may seize land from some people, paying them less than fair market price, and resell the land to its friends at the expropriation price. But here government has no more lowered the market price of land than a bank robber lowers the market interest rate on loans.

Prices of land are higher now than they have been in years. The main reason for the increases in land prices is the paper money inflation that the federal government has been causing through the Bank of Canada. For years the federal government has been behaving in a way that would have put a private company into bankruptcy long ago: its spending has far exceeded its revenues. It has been unwilling to behave responsibly, to do what is unpleasant, to impose taxes high enough to meet its expenditures or, alternatively, to reduce its expenditures. Instead, hoping in the short run to win popularity with the voters, the government has been doing what no private company can do: it has been using the Bank of Canada to issue paper money to cover its deficits.

But now the unruly economic chickens have come home to roost. All that new paper money has caused a terrible

inflation. Like all the other governments that have caused paper money inflations over the past 200 years, this government has tried to blame the inflation on supposedly greedy tradesmen, merchants, and landowners. But we are not fooled! We know that the tradesmen, merchants, and landowners are no more or less greedy than they have been at any other time in history, during inflation or deflation. Human nature stays pretty much the same. We know that the price that a man demands for his labour, goods, or land is not going to be the price he actually gets, unless money is available to pay that price. And the greater the supply of money available, the higher the prices that people demand. And who controls the money supply? Tradesmen? Merchants? Landowners? No, the federal government controls the money supply, through the Bank of Canada.

During periods of inflation increases in land prices usually exceed increases in other prices. It is easy to see why. Even though the federal government preaches much nonsense about inflation, my constituents, especially those who have lived through paper money inflations in other countries, know that even though the government can print money, the government cannot print land. So, to protect their savings from the government's inflation, they buy land. Thus, they want to buy more land than they would want to buy in the absence of the paper money inflation. And so the demand for land is increased disproportionately, and this demand pushes prices up disproportionately. What is the remedy to the problem of rapidly rising land prices? Stop the paper money inflation.

A long time ago the economist Henry George pointed out that the supply of land is fixed by nature; the supply of land cannot be increased. Therefore, the price of land is determined by demand. How can government land banking possibly reduce the price of land? If government goes out to buy land, it increases the total demand for land. To everyone else's demand for land is added government's demand for land. Unless the government plans to use expropriation to selectively seize particular pieces of land from particular people, it can buy land only by out-bidding other buyers, that is to say, driving up the price.

Not only will government land banking not do any good, it will do a great deal of harm. It will drive up land prices. It will be a terrible invitation to corruption; politicians and bureaucrats will be tempted to use the taxpayers' money to overpay for land bought from their friends and will be tempted to sell the so-called "banked" land to other friends at prices below fair market price. And it would give politicians and bureaucrats an increased opportunity to injure their enemies through expropriation.

We would do well to note that when government engages in the selective seizure of land through expropriation, paying less than fair market price, it is not the big corporation but rather the little man, often the small farmer, who suffers most. The little man cannot afford to fight back effectively; he cannot afford to hire the best lawyers; he cannot afford to spend time and money on appeals. And the government knows it. The government knows that in expropriation proceedings it has the little man at its mercy, and rarely does the government extend him any mercy.

An observation about the effect of the government's paper money inflation on interest rates is relevant. The observation is very simple: inflation of the supply of paper money causes interest rates to rise. Let me illustrate this point with an example. Suppose that in the absence of inflation the market rate of interest is 3 per cent, because 3 per cent is the price at which the amount of money that people are willing to lend equals the amount which people are willing to borrow. For instance, in 1936 the government was able to sell its issue of 3 per cent perpetual bonds to investors who believed in the stability of the dollar. Suppose the government inflates the money supply at a rate which causes price inflation to reach a rate of 5 per cent per year. On the lending side, people will want at least 8 per cent on their money—in order to get their 3 per cent interest plus 5 per cent compensation for inflation. On the borrowing side, people who in the absence of inflation would be willing to pay only 3 per cent are now on the whole willing to pay 8 per cent, which is the original 3 per cent plus the 5 per cent inflation premium. They are willing to pay this amount because they expect that the prices of the goods, labour, or land that they sell will rise with the general inflation. The remedy to high interest rates is the same as the remedy to high and rising land prices: Stop the paper money inflation.

In summary, Mr. Speaker, I have spoken about several things: the need for decentralization of government; the wastefulness of government's spending money to buy things like housing for people rather than letting the people spend the money themselves in the ways that give them, not government bureaucrats, the greatest satisfaction. I have spoken about the foolishness of government land banking, the futility of government attempts to fix market prices and, finally, of the great evil that lies at the root of high land prices and high interest rates, the government's paper money inflation.

• (1600)

In conclusion, Mr. Speaker, I have tried to explain that government is not the solution of our problems.

Mr. Coates: Especially this government.

Mr. Clarke (Vancouver Quadra): Government is the problem, especially this government. When we recognize that basic fact, when we recognize that, as Bastiat said over a century ago, the state is the great fiction by which everyone tries to live at the expense of everyone else; when we recognize that government, which is simply the power of legal coercion, can destroy but not create, can build nothing of itself but can seize only what others have created; when we recognize that it is folly to think that government can solve our problems for us, when the only resources at the government's disposal are our resources; when we recognize that asking the government to solve our problems will simply result in government's telling us how to live our lives, and enforcing its instructions with its police power; only then, Mr. Speaker, will we have a truly free and prosperous society.

[*Translation*]

Mr. Peter Stollery (Spadina): Mr. Speaker, it is with very great pleasure that I rise to talk about the amendments to the National Housing Act.

I endorse the efforts of the Minister of State for Urban Affairs (Mr. Basford) of which I am very satisfied. His interventions are very timely since urban concerns are more and more important.

Mr. Speaker, I represent an urban riding of downtown Toronto. I am an old Torontonian of the fourth or fifth generation. I can say proudly, Mr. Speaker, that my family has been living in downtown Toronto for more that one and a half century.

I am very much aware of the problems of that large Canadian city and I am convinced that the minister's efforts will help solve not only today's complex problems but those of the future of urban living in Canada as well.

[*English*]

I listened to the hon. member for Vancouver Quadra (Mr. Clarke) with great interest. I was informed, after listening to the hon. gentleman, that possibly we had better all go home, because there is not room for government at all, if I understood him correctly.

Mr. Coates: There is no room for this government.

Mr. Stollery: I compliment the Minister of State for Urban Affairs (Mr. Basford) for his positive attitude on these amendments to the National Housing Act. This is an enlightened measure and is an alternative to the bulldozer approach, and therefore especially deserving of support. I particularly direct your attention, Sir, to clause 27, to that part called the neighbourhood improvement plan. This is of great importance to areas of downtown Toronto. I believe the most refreshing part is that found in clause 27.1(2)(c). I can imagine the confused consternation of my friends opposite when they learned that the federal government intended to introduce consultation among neighbours who are involved in each urban improvement project.

In the area I represent, Sir, participation has taken on an important aspect. In my riding, Spadina, there is at the moment a conflict over a block called the hydro block. This is an area that was taken over by Ontario Hydro and, because of protests from local residents, the Ontario Housing Corporation took over the block and asked the residents what they would like to have done with it. The residents formed a committee and made exhaustive studies in terms of the physical, social and economic value of the block. They came up with 14 points, most of them reasonable. The provincial minister in charge of Ontario Housing Corporation has yet to respond in a positive way to the neighbours. It is with pleasure that I note the minister has introduced this form of consultation in these amendments to the National Housing Act.

Another important aspect relating to the neighbourhood improvement plan is to be found in other parts of clause 27. There are many excellent implications to this amendment, those involving open space, for example. The federal government will be making a 50 per cent contribution in this regard. The hon. member for Davenport (Mr. Caccia) pointed out the other day that here we have potential funding for day-care centres, so important in our urban areas and so neglected by many provincial governments. Also, under this part of the bill there is room for the establishment of neighbourhood recreation centres.

We have heard, during the past few days, members on the other side of the House speaking of their interest in the decaying centre cores of cities. I really wonder if any of those members have ever been in the downtown area of a city, or if their view has been that obtained from a limousine as it proceeded from Bay Street out of town to the country club. Apparently they have no understanding or conception of what it is like to live in the downtown area of a modern Canadian city.

I have heard concern expressed about building maintenance standards. I suggest to you, Sir, that if the city of Toronto building inspectors applied strictly the building bylaws in the riding of Spadina, the aldermen would be in great difficulty. The proponents of capital punishment would have a field day as they hanged the aldermen from city hall. The bylaws are not strictly applied in the city of Toronto. Anyone who knows the area knows that nobody would be crazy enough to apply building bylaws strictly in the downtown area. One of the reasons for the healthiness of downtown Toronto—and contrary to some statements downtown Toronto is certainly not in a state of urban decay—and one of the reasons the city has become famous in this regard has to do with immigrants. In my riding there are people who speak 33 different languages. Over the past 20 years, they have completed probably the largest urban renewal project in the world. We have street after street of sparkling houses; they are old houses made new, privately, without any government help. The only assistance has been from understanding building inspectors. There were probably 2,000 illegal toilets in Toronto. Cellars have been made over. Attics have been fixed up. Extra families have moved in to help with the expense of renovation. It goes on and on and this, I emphasize, should be encouraged. Toronto building inspectors generally apply bylaws sensibly.

All the same, Mr. Speaker, there must be minimum standards, particularly when you deal with conscienceless landlords, of which we have many. The only defence many people in this country have against living in unheated shacks, without windows and with cracks in the ceilings is minimum standards. The areas of northern Ontario where people live in very cold shacks are areas for which no minimum standards are prescribed. This is an important part of the bill before us.

• (1610)

I believe, too, that the neighbourhood improvement program has great implications for the future. Hon. members may recall that in Britain after the war a system of trust houses was established to preserve so-called stately homes. Such a program has application in cities like Toronto where, because of population pressure, land in the downtown area has become expensive. I am thinking, in particular, of an area in Toronto known as The Annex. My great-grandfather was a small contractor who built many solid houses in that neighbourhood. For the benefit of those who do not know Toronto very well, I might say that The Annexe is an area around Avenue Road and Bloor; it was incorporated into the City of

Toronto about 1900. In the 'seventies it was an area of market gardeners. Members of my family still live there in a house built by my great-grandfather in the 'eighties. Land there now has tremendous value. I know of a case where a house with a 25-foot frontage and no great depth sold five years ago for $86,000.

I suggest that the program called the trust system could be applied to downtown areas such as The Annex. These are gracious streets. They contribute to the urban life of those who are obliged through economic circumstances to live in our cities. They are areas which should not be destroyed. Yet who can really say it is wise on economic grounds to continue to live in a house, a modest house when built, a nine-roomed house, which today has a market value of $100,000? There is no economic justification for it. The reason can only be that it contributes to the wellbeing of the citizens generally. So I see in the neighbourhood improvement plan the possibility of freezing some of these areas and preserving some of the amenities for the sake of the wellbeing of the citizens in general. I hope we may come to accept the concept of people living in a house in trust, a house owned, really, by the community as a whole. Whether we like it or not, I believe we are moving in this direction toward the establishment of what I call trust neighbourhoods.

The bill we are considering is not an answer to all the housing needs of Canadians. I agree with the submission of the Metro-Toronto Housing Task Force that the amount of forgiveable loan toward the rehabilitation of older housing stock should be increased from $2,000 to $4,000 in the case of low income families. I am concerned that middle-income groups, professional people, may move into too many improved houses downtown, thereby reducing the number of houses available to lower income groups whose possibility of movement is far less than those with higher incomes.

Some of the hyperbole emanating from the other side of this chamber in the past few days has really been fantastic. If I did not know better I would say it came from people who were engaged in the land speculating business. Last Thursday, the hon. member for Calgary North (Mr. Woolliams) used excruciatingly exaggerated figures about the cost of a house in Toronto. He said the cheapest house one could buy today cost $35,000. Where did he get that figure? He says he got it from the Urban Development Institute. This, I think, is indicative. The Urban Development Institute is an association of apartment builders who have direct financial interest in overstating the price of the average house because it is in their interest to demolish houses and build apartments. The Metro-Toronto Task force and the Social Planning council list the price of a house in Toronto at $25,000, $10,000 less than the figure quoted by the hon. member for Calgary North.

After giving us the figure provided to him by people in the apartment construction business, the hon. member proceeded to tell us that every Canadian was "entitled to a home with a landscape." I wonder what kind of landscape he would get from the twentieth floor of an apartment building. I would call it an airscape, certainly not a landscape. The phrase reminded me of a speech I have read—was it made in Louisana?—promising "a chicken in every pot". The average Canadian will not buy that kind of nonsense.

• (1620)

I take pleasure in associating myself with the minister in supporting the bill, and in associating myself with the brief that was presented by the Metro Toronto Housing Task Force. The brief states that Bill C-133 indicates a new direction for housing policy in this country. Incidentally, this task force was comprised of a group of 100 people specializing in housing needs in densely populated urban areas. The brief goes on to state that the task force "welcomes these initiatives and considers them a forward step in the provision of adequate housing for all Canadians".

Mr. Walter C. Carter (St. John's West): Mr. Speaker, it is rather amusing to sit in this House and listen to members on the other side pretending to be interested in the housing problems we face in Canada. It is these same people who allowed this situation to develop, refusing to take any concrete action to deal with the various recommendations and reports made to the government during the last five years I have been in this House. These same people are now talking about the need for new housing legislation and decrying the problem being experienced by people of low and middle income. They are pretending to be concerned and to take an interest in what is happening.

I was amused to hear the hon. member for Spadina (Mr. Stollery) talk a moment ago of the need for more and better housing in his riding. He took issue with the statement of my colleague, the hon. member for Calgary North (Mr. Woolliams), concerning the average cost of a house in Toronto. The hon. member opposite stated that rather than $35,000 being the average price, $25,000 would be a more realistic figure. It seems to me that the hon. member must have his wires crossed, because I am getting signals back, and have been for some time, that to buy a building lot in Toronto would probably set one back as much as $18,000 or more. So I am at a loss to understand where the hon. member gets his figure of $25,000 as being the average cost of a house in Toronto. Indeed, in my own city of St. John's, Newfoundland, this figure would be considered to be very low. I do not have the exact figure here, but I would be willing to bet that the average cost of a home in St. John's, Newfoundland, would exceed the amount of money mentioned by the hon. member for Spadina.

In rising to speak on this bill, I should like to say I have certain reservations about it. The last time that this legislation came before the House, the government called an election before it had a chance of being passed. In speaking on this bill today, I am wondering whether the government will pull the rug out from under my feet, or whether the walls of the building will collapse, or, better still, perhaps the government will be enticed to call a new election. Certainly, they might be tempted to do anything that would stall implementation of the new policy on housing announced by the government, as reflected in these amendments.

The Minister of State for Urban Affairs (Mr. Basford) has stated on many occasions that the amendments now being debated by the House represent the most progres-

sive social housing legislation to be undertaken to date by this government. I find it interesting to speculate on what might be happening. Are we so bold as to suspect that the thrust of these amendments may indicate a change in the preoccupation of Central Mortgage and Housing Corporation with dwelling starts rather than with the actual social implications of the lack of a housing policy? We have all become aware that this financially and architecturally oriented institution appears to be more concerned about the number of houses being started, than about the actual housing problems facing the Canadian people, especially those who unfortunately are in the middle and low income brackets. It is refreshing again to speculate that perhaps this financially and architecturally oriented institution is about to be transformed into a sensitive social agency engaged in the development of new communities, the improvement of existing neighbourhoods, and the rehabilitation of existing substandard housing.

One area where I contend that this government and CMHC have completely fallen down is in the rehabilitation of existing neighbourhoods. We have all observed the effect of the bulldozer technique. We went through a period when the bulldozer seemed to be the answer to all of our housing problems—the answer to the large number of substandard housing units and substandard neighbourhoods that exist in this country. Now, of course, the government has realized that the bulldozer is not the answer, that perhaps rehabilitation does have a part to play in helping to solve the very serious and critical housing problems that exist today.

Again in my city of St. John's, there was a time back in the middle sixties when the government built up great expectations by designating areas for urban renewal schemes and urban renewal studies. Although great things were promised and great studies were undertaken, I am afraid very little action followed. This was because it was obvious then, as it is obvious now, that the bulldozer is not the answer; indeed it is far from the answer. Rehabilitation, a more sensitive attitude, a more humane approach to the problems of people living in older existing neighbourhoods, were what were required, rather than the so-called bulldozer technique and urban renewal studies undertaken during this period by the government and CMHC.

Central Mortgage and Housing Corporation is, of course, the federal government's housing arm. But how can this agency presume to be effective when it continues to classify the Dennis report on low income housing as confidential, with distribution restricted to within CMHC? I have been told—and I hope that the minister will make a note of this—that the library at CMHC does not even have a reference copy of the Dennis report. How can that agency expect its staff to be aware of the social implications of the housing policy? This repressive attitude toward the control of information is unthinkable. This is ridiculous when you consider that the Dennis report is on sale in every bookstore in the country, but there is not even a copy of it in the CMHC library.

• (1630)

It is interesting to note the position with respect to the staff of CMHC. On October 3, 1972, the present minister promised that CMHC senior personnel would be replaced by those possessing skills more compatable to implementing social policy. It is ridiculous when you realize that the present president of CMHC, Mr. Hignett, continues to function in that role two years after his formal resignation. The president of CMHC, whose responsibility it is to give direction to Central Mortgage to implement the government's policy with respect to housing, continues to fill that role two years after he indicated to the government that he wished to retire from his position.

In the past year, there has been no change in the senior personnel of CMHC. Recent vacancies in the middle level have been filled from the present management complement. In other words, there has been absolutely no new blood injected into CMHC. Therefore, how can we expect that agency to operate under a president who has indicated his interest, desire, willingness and anxiety to retire and with no new personnel involved in the policy making or administration of CMHC, where vacancies are filled by people in the lower echelon of the corporation without new personnel or new blood being injected into the corporation? The minister will probably say that such changes are coming. He will probably tell the House that new appointments are to be made.

Perhaps a new president of CMHC will be appointed. Perhaps new personnel on the policy making level will be appointed, but these appointments should have been made before this legislation was introduced. These appointments should have been made prior to the implementation of these proposed amendments to the National Housing Act, especially when they are purported to constitute the government's presence in social housing legislation. I am not aware of any attempt having been made by the government or CMHC to change their attitude with respect to housing or talents. CMHC appears to have failed in its attempt to attract young people who are trained in the social science skills which a person working in that corporation requires.

The open hostility that exists between the Minister of State for Urban Affairs and CMHC's policy development unit has resulted in a sad waste of talent and expertise. This country cannot afford to suffer any longer from the minister's failure to define responsibilities. Either the minister should create a department of housing and urban affairs or he should let CMHC get on with its job. At any rate, this is a very serious problem that exists in Canada with respect to housing.

I would be remiss in my duty if I did not make reference to a situation that exists in my constituency. It is relative to CMHC and the government's formal policy of urban renewal. In the west end of my constituency, there is an area that is referred to as Mundy Pond. The government undertook a comprehensive program of urban renewal in this area. The program was announced with a great deal of flurry and fanfare. A great many promises were made to the people who live in that section of St. John's West. When the program was probably a little more than half completed, because of the escalation of costs, prices and contracts, the funds ran out. There was not sufficient money to complete the program as envisaged by the government and promised to the people of that area.

I understand that last year a group known as the Mundy Pond House Owners Association made representations to

the minister with a view to acquiring additional funds to enable them to complete the Mundy Pond urban renewal scheme. I also understand that their request for additional funds was refused. This situation is a little ridiculous. The federal government saw fit to spend a large sum of money on this project and then refused to advance sufficient funds to enable the municipal and provincial governments to complete the job. The Mundy Pond area is probably typical of a large number of under-privileged substandard have-not areas in this country. It consists of people who are on the bottom half of the income ladder. Their income is far below the national average. Indeed, it is so low that without direct government assistance from the municipal and provincial governments, they cannot hope to attain the standard to which most Canadians have become accustomed and to which they are entitled.

These people have been forced to live and raise their families under conditions which in most parts of Canada would be looked upon as being far below the normal standard. Indeed, it would be unthinkable to expect these people to live and raise their families under the conditions which prevailed in that area prior to the commencement of the urban renewal scheme, yet this government refused to acknowledge its responsibility to complete the project as promised, to complete it in a manner that is consistent with that which is expected by all Canadians. This would be by providing decent and sanitary conditions under which they can live and raise their families. I would urge the minister to give some serious thought to the request of the people of Mundy Pond who are not asking for anything except the opportunity to complete the job in accordance with the promise of the government in respect of the urban renewal scheme that was started there some years ago.

• (1640)

Mr. Basford: Mr. Speaker, would the hon. member permit a question for the sake of the record?

Mr. Carter: Yes.

Mr. Basford: I would just ask, Mr. Speaker, if it is clear on the record whether or not the hon. member is aware that on Monday this week I had a meeting raising with the mayor of St. John's and the provincial minister of municipal affairs for Newfoundland in respect of the very problem he is raising. We discussed the matter he is now mentioning and we are considering the requests of the mayor and the provincial minister.

Mr. Carter: I am aware of the fact that the mayor of St. John's and the provincial minister of urban affairs came to Ottawa to talk to the minister. I am aware also that more than a year ago a delegation came to Ottawa, before the minister assumed his present portfolio. This was a delegation from the Mundy Pond Householder's Association. They spoke to officials at CMHC and I believe the former minister. At that time their request was flatly refused. I hope the minister will find it possible to accede to their request and make sure that the scheme started by the government will be realized.

We find, Mr. Speaker, that there are very serious problems in housing in many parts of this country where neighbourhoods are being allowed to deteriorate almost to the point of no return because there is insufficient interest and lack of funds provided by the government and CMHC to enable the neighbourhoods and older properties in our cities to be rehabilitated. While I do not wish to take away from some of the benefits in this new legislation, and while I do not want to downgrade the minister in respect of his efforts to bring about some kind of improvement in the housing legislation, I hope that his obvious interest will be reflected in the attitude of officials at CMHC, at the grassroots level, who will be required to administer the policies presented to the House by the minister.

I hope it will be possible for CMHC to develop a better liaison between its officials and the people whom they represent because I find in my city—and I suppose this may be typical of the situation in most cities—that the officials of Central Mortgage and Housing Corporation appear to have adopted an attitude of being holier than thou, sitting in an ivory tower on their high pedestals. They do not get down to the level of the average people in our cities and provinces in respect of housing. I hope a better liaison can be developed between the officials of CMHC and the people in our cities who go to them for advice and help in respect of their housing problems.

With regard to the development of land, we all know that the cost of serviced building lots has reached a point where it is almost unrealistic for a person to endeavour to buy a lot on which to build a home. I contend that this problem has arisen because of the fact that there is an inadequate supply of serviced building lots in our cities. At the present time in the city of St. John's, the price of a building lot is anywhere from $10,000 to $15,000. I can think back to a time in the early and mid-1960's when, because of a land assembly program undertaken by the three levels of government, municipal, provincial and federal, building lots were selling at a reasonable price. Less than ten years ago one could buy a building lot in St. John's, Newfoundland for under $5,000. Today, because of the scarcity of serviced building lots, it is impossible to purchase a building lot for less than $10,000. Therefore I urge the minister to be very sympathetic and to be very generous in respect of our provincial and municipal authorities in their efforts to provide land assembly projects, which I contend would have the effect of lowering the over-all cost of building lots.

I would also strongly recommend to the minister and to the government that the minister endeavour to impress upon his colleague, the Minister of Finance (Mr. Turner), the need to abolish the 11 per cent sales tax on building materials. This is something which I consider to be overdue. A government which pretends to be interested in the housing problems of our country, a government which pretends to be interested in the lot of the salaried blue-collar Canadians in this country, surely should start putting its money where its mouth is, to use an old cliché. I believe one way to do it is to abolish the 11 per cent sales tax on building materials which would make new home ownership more accessible to the average low salaried person in our country today.

I am impressed by certain aspects of this legislation which I think are good. I believe the idea of encouraging co-operative housing is good. Certainly, the plan in

respect of developing and improving neighbourhoods is excellent. It should be pursued and taken advantage of by our cities and municipalities. I am encouraged by the new awareness shown by this government with regard to co-operative housing. This is one way in which people can roll up their shirt sleeves and hopefully solve their own housing problems. I commend the government for the initiative it has taken in this area.

In closing, I would again impress upon the minister and upon the House the need to complete the urban renewal schemes which were undertaken by the government. Particularly, in my case, I would commend to the minister the Mundy Pond renewal scheme. I hope he will be able to convince his colleagues in the cabinet that additional money is necessary to undertake the completion of that scheme as promised by CMHC. I hope they will allocate more funds and make more money available for the development of land, perhaps for the provision of land banks, call it what you want, but certainly I think we should do something to develop more building lots. I think this would have the effect of keeping prices down because the old law of supply and demand will prevail with respect to housing, just as it does to everything else. It is quite obvious that some definite action must be taken, some definite policy adopted, to bring about an end to the cruel and inhuman way in which a large number of our citizens are being treated.

• (1650)

There are certain parts of my riding where the conditions under which some people have to live are quite incredible in this day when we brag about the so-called just society and when we hear such slogans as "the land is strong". In some areas we see people living in substandard houses, and not far away from them we find people living in great luxury, people who can afford to drive expensive motor cars and who live in homes that are beyond the wildest dreams of most people. There is great unfairness and inequity in the fact that some people are forced to live in substandard conditions while others live in the lap of luxury. I contend that it is the responsibility of this government, and indeed of any government, to ensure that our people are given a chance to live and raise their families in decent houses.

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I rise in support of this bill, and in the few moments left to me this afternoon I want to make one or two observations about an aspect of the bill which I think will be of advantage to the preservation of the character of existing neighbourhoods in large urban centres. I see the provisions of this bill respecting loans to facilitate home ownership, the neighbourhood improvement program, and the residential rehabilitation assistance program as providing a bulkward against mindless redevelopment of the kind which has been going on all too frequently in a city like Toronto. Certainly, in my constituency of Lakeshore, which consists in large part of older homes, the provisions of this bill will, I hope, enable residents to maintain and preserve those homes and prevent this part of Toronto from being overrun by, as I say, the mindless redevelopment which is taking place in so many other parts of the city.

Moreover, if that redevelopment can be forestalled and prevented and if the neighbourhoods can be preserved, those younger people who have grown up in that area, in that community, will, I hope, under the provisions of this bill find it somewhat easier to buy older homes in their neighbourhood. This would provide to that neighbourhood and that community another generation of community leadership which will, I fear, be lost if younger families must move farther and farther out of the older parts of the city into the suburbs in order to find housing at prices they can afford.

I hope, therefore, that when this bill gets to committee the minister will be in a position to provide us with more information than has been forthcoming so far. We will then be able to get some assurances that, for example, this bill will apply equally to existing as to new housing stock. Perhaps we can get some more concrete figures as to the income ranges to which the provisions of this bill will apply because I want to put in a word for those modest income families which comprise the great bulk of constituencies like my own and for whom, up to now, there has been not much in the way of assistance to enable them to own and preserve their own homes.

I would like from the minister, when we get into committee, some of the details which are apparently left to regulation at the present time. I would like to have some idea of what kind of assistance will be provided by the government by way of grants to enable families to maintain their monthly payments within tolerable limits. I hope that details of this kind will be tied to the act in such a way as to make sure that families in the modest income range will be able to benefit from its provisions. I do not want for a moment to deny the necessity of providing better housing for families in low income ranges, but I sometimes have the feeling that those in slightly better circumstances in the modest income ranges are overlooked in the drafting of legislation of this kind. I am disturbed at the suggestion—and I have heard it—that housing costs in a city like Toronto might be such as to render this program largely inoperative. Again, when the minister is before the committee I hope he can give us assurances that the kinds of income ranges and levels of assistance envisaged under this act will be such that residents of constituencies like Lakeshore, and there are many similar to it, will be able to benefit from the provisions of the act.

May I say in conclusion that there is in my riding a neighbourhood known as Laburnham which, over the last year and a half, has seen co-operation between the municipality and the residents of the area in designing a redevelopment program which preserves the character of the neighbourhood and which can greatly benefit, I hope, from the provisions of this bill. It is in the hope that not only that neighbourhood but others like it will in the future be preserved that I lend my support at this time to this bill.

Public Service

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—Oil—Wreck of the *Irving Whale*—Possible source of pollution; the hon. member for Central Nova (Mr. MacKay)—Regional Economic Expansion—Activities of professional DREE counsellors—Government action: the hon. member for Yorkton-Melville (Mr. Nystrom)— Manpower—Local Initiatives Program—Inquiry respecting grant to "Centre Epic", Montreal.

It being five o'clock, the House will now proceed to the consideration of private members business as listed on today's order paper, namely, Notices of Motions, Papers.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

PUBLIC SERVICE

REQUEST FOR TABLING OF BRYDEN COMMITTEE REPORT

Mr. J. M. Forrestall (Dartmouth-Halifax East) moved:

That an Order of the House do issue for the tabling of the Report of the Legislation Review Committee, chaired by John G. Bryden.

He said: Mr. Speaker, in the brief 20 minutes I have before me I should like to deal at the outset with perhaps one or two of the historical aspects that have led up to this position of stubbornness on the part of the government with respect to this most important report. A review of the historical aspects of something is important in the context of lapsed time between the acceptance of certain principles and their full implementation. No matter what we create it must be nurtured, fed and tended if it is to grow and expand, to keep pace with the growing demands of its day and environment.

• (1700)

I have ample evidence to suggest that in the immediate post-World War II period, employees of government began to feel strongly the changes of altered circumstances. The two paramount questions facing this House, the government, and indeed the country with respect to public employees were the twin questions of veterans preference, and the need to accommodate a greater linguistic balance within the public service. The Fair Employment Practices Act of some 20 years ago was another area that required change.

These matters preoccupied governments and the old Civil Service Association for a period of seven or eight years. As early as 1953, it was apparent to the then Prime Minister, the Right Hon. Louis St. Laurent, that further changes were absolutely necessary, changes which in his view had to be sweeping and all-embracing. They would encompass major changes in concepts of government-employee relationships, and they were changes which he knew would be vigorously opposed by the Civil Service Commission of those days, indeed it might be said by the entrenched Civil Service Commission of those days. But he knew that changes had to come about if government and its growing civil service staff throughout the country were to function adequately. From this awareness on the part of the Prime Minister came the ground rules for what was to evolve during the next 12 to 14 years, during the days of the so-called 1954 secret committee and the Heeney Report, which will certainly be easily recalled by some distinguished members of this Chamber.

There was a reluctance in the early stages of committee meetings on the part of some members of the Civil Service Commission to look ahead. At that time there was a lukewarm chairman of the commission, and indeed Mr. Bryce expressed the fear that if changes did not come about quickly it might well be many years before sweeping conceptual changes could be brought about with respect to the public service. Regrettably, Mr. Speaker, his fears were well founded. It was some years before anything was accomplished. Indeed, some 14 years went by, and it was not until 1967 that change really came to the fore, although this is not to say that work was not being done during that time. A strong appeal has been made by opposition members during the last two years for the tabling or the release of the Bryden Committee Report. When undue delays occur in connection with something as complex as the rules and guidelines within which the public service operates, then there is great fear of entrenchment, of immobility on the part of governments, and of over-familiarity with known routines. A stance is adopted against making any movement. It is this which concerns us deeply.

As I say, it took 14 years before any basic changes were made. With the experience we have gained over the last five years, we have all the evidence that is necessary for any government, or any parliament, in order for it to institute an extension or a furtherance of the changes that were begun five years ago. There is recognizable merit in moving slowly in such complex areas as the relationships between a government and its employees. You have to be certain of the full consequences of change before making change. But caution should not result in procrastination in bringing about the many changes that are so necessary. What we are simply saying is that what has been done to this point in time has been good, but it is now time to do more with respect to the regulations under which governmental employees function.

The concept of full bargaining rights, although long shunned by the public service, particularly by certain levels within it, is now fully acceptable. Their fears have long since been abandoned. We have accepted that the changes made five years ago were good, and we know that further measures must now be taken. Numerous settlements arrived at over the last five years support that contention. The time in which settlements were arrived at has shortened.

About two years ago, probably in anticipation of the necessity to make further changes, the government asked Mr. John G. Bryden to review the two main legislative

acts in this area, not with a view necessarily to making recommendations to the government but in the context of their usefulness. Some of my colleagues will speak about the understandings that existed at that time with respect to what was going to happen to his report.

The point I would like to develop is that, apart from any recommendations it may contain, the report itself is of the greatest importance not only to the members of this House but to the members of the Public Service Alliance, to the Professional Institute of the Public Service, to the Union of National Defence Employees, and to all other public service groups in Canada. To keep the report hidden at this point in time is unreasonable. The government has had it in its possession for a year and a half, or two years. Surely, the government now knows what its position will be. Why does it not release the report so that other concerned people can decide, on the basis of the information it contains, what amendments should be made to the Public Service Staff Relations Act and to the Public Service Employment Act?

I have difficulty in understanding why the government will only go so far as to say that, when it is ready to introduce amendments, it will reconsider its position with respect to the tabling of the report. This makes no sense to anyone who wants the benefit of the informed views of Mr. Bryden. It is clear that at present there are not full collective bargaining rights. I am not necessarily trying to find a reason why the government will not table the report but rather I am trying, in a brief manner and not too casually, to reason why the report should be published.

• (1710)

It is clear, Mr. Speaker, that there is not full collective bargaining rights for the public service at the present time. Section 7 of the Public Service Staff Relations Act reads:

> Nothing in this act shall be construed to affect the right or authority of the employer to determine the organization of the Public Service and to assign duties to and classify positions therein . . . thus eliminating any right of the employee or an agent of any group from negotiating with the employer standards, procedure and processes governing classification of an assignment of duties to positions, appraisals, promotions, demotions, transfers, lay-offs, reassignment and releases.

The whole spectrum is removed from the parameters of collective bargaining and collective bargaining cannot be fully enforced unless it is total. If a thing is arbitrable it should be negotiable and vice versa, but that is not the case.

With each new agreement we see the difficulty that various groups are having in choosing the arbitration route over the conciliation and strike route. Anyone who has followed collective bargaining in the public service is aware of the difficulties that seem to be growing. There is the increasing irritant of the absence of relief procedures, and failure to provide for adjudication procedures for classification, grievances. The confusion that arises leads to difficulty and some of this may arise from the fact that we have three quasi-judicial bodies involved in these matters—the PSSRA for adjudication, the Treasury Board for classification and the Public Service Commission for appeal purposes.

It is no wonder that PIPS has called for the establishment of a ministry for the public service. We have a whole area of exclusions which should have been looked at long ago. Indeed, some considerable merit must attach to the thinking of the Alliance in its call for a classification review board within but separate from the Public Service Commission. This could well take the form suggested by the Leader of the Official Opposition (Mr. Stanfield) in Montreal a few weeks ago when he referred to areas of discrimination, for example, with respect to language—in any event, identifiable areas of discrimination. Possibly this is a reason we should have an independent national human rights commission in this country.

Government is no longer a unique employer in Canada, Mr. Speaker, and it can no longer set itself apart from the other large employers. The relationships between governments and their employees are so complex, so professional that a minister of the Crown must accept his responsibility to the people of Canada and the people who are employed in his departments, specifically or generally. I suspect that we may find something to this effect in the Bryden report when it comes before us. Government cannot continue as its own judge and jury; as the country's largest employer it must accept responsibility for leadership in the area of human rights and in many other areas. It must allow its employees access to grievance procedures, and, where discrimination is involved, to an independent human rights commission.

Lest I go too far into a rambling, somewhat philosophic dissertation, let me make some reference to the need to consider extension of some form of involvement in the decision-making processes respecting working conditions for the staffs of our own House of Commons, the Senate and the Governor General, for example. Many years ago when this matter was being debated my friend from Winnipeg wondered why this, the epitomé of democracy, denied its employees one of the fundamental rights of a democratic society, the right to collectively form their views and express them to their employer. Perhaps someone in government should at least find out whether our employees would like to be organized. There are ways to do this which would assure the confidentiality of their views as individuals, whilst permitting their collective position to be known.

A lot of things are going to happen shortly which will highlight the necessity for government action. There is a very real belief that some 50,000 public employees in this country have the fundamental right to wage parity. Since 1934, we have been labouring under an archaic unprincipled philosophy of prevailing rates; that is to say, rates paid to government employees are on a par with similar job classifications in the surrounding area. It is difficult to believe that any government would maintain this unfair and unjust treatment of employees in the public service. The public service and Crown corporations ought to pay the same wages in Victoria as in St. John's, Newfoundland, in Halifax as in Winnipeg, Calgary or Toronto. Why is it that 50,000 public servants, 35,000 of whom are civilian employees with the Department of National Defence, can have a job in Yarmouth, Nova Scotia and be paid $1.85 less than the rate in Vancouver for the same type of work? How do we expect to achieve national unity and avoid divisiveness unless government accepts the respon-

sibility for taking the lead? We cannot have national unity when a machinist in the dockyard in Halifax is getting $1.05 less than a machinist in Esquimalt. This condition will persist as long as this government operates in secrecy, behind the screen of confidential reports. If I had my way I would reduce to one dollar every fee paid for consultants reports by every department of government so long as those reports remain confidential and are not made available to Members of Parliament.

Let us get on with the necessary changes in the Public Service of Canada, and let us do this by looking at the Bryden report. What is in it that makes the President of the Privy Council (Mr. MacEachen) afraid to release it? Neither the President of the Privy Council nor the President of the Treasury Board (Mr. Drury) is in the chamber, and perhaps this is an indication of their interest in what is going on and a measure of the true interest of the government in this matter. That is how they show their interest in the people who are true and loyal servants of the people of Canada.

• (1720)

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, it gives me great pleasure to rise this afternoon to speak on the question of staff relations in the public service as well as the Public Service Employment Act. This subject is of fundamental importance for a member of this House representing a riding such as mine located in the shadow of the Peace Tower.

Mr. Speaker, like my colleagues I think we are in a position of guessing with respect to the Bryden report because I do not know more about it than they do. I feel that the Bryden report has no special status among the many reports that are continuously prepared by officials and others for the benefit of the government in power to help them make enlightened decisions to administer this country with efficiency. Some will suggest that the government has neither the right nor the privilege to commission or have prepared any report liable to throw light on any important question and I am sure that by appointing a three-member committee presided, I was told, by the minister responsible, this government wanted to keep it self up-to-date on the possible amendments to the legislation governing federal civil servants.

In that regard, Mr. Speaker, I should like to make a few comments on the way which I think bargaining could be carried on between employers and employees in the public service. It will be remembered that the government announced in the Speech from the Throne that it would introduce amendments to the Public Service Act and the Public Service Staff Relations Act.

Numerous favourable comments have been made in the press since last January 4. I think the public servants' optimism is justified in that field.

Obviously, the government does not intend to bring major amendments to the Public Service Act before having consultations with union leaders, with whom it will have discussions beforehand.

For many months—even many years I am told—since 1971, I think the Bryden report has been prepared; the opposition has asked that it be tabled in the House. Many questions have been put on the order paper, including one by the hon. member for Darmouth-Halifax East (Mr. Forrestall), namely question No. 148 asking the government if it intends to publish the Bryden report, and if so when, if not why.

I believe that this request is only the last of many others that have been made in this connection in the House.

The Parliamentary Secretary to the President of the Privy Council (Mr. Reid) replied on that occasion that the drafting of the Bryden report was subject to the condition that the document was internal and confidential and for the exclusive use of the department through which the Public Service Staff Relations Board reports to Parliament. This is why it has not been made public. However, when the bill to amend the Public Service Staff Relations Act is introduced in the House, the government will decide, after looking at the situation, whether public interest makes it necessary to publish that report.

The President of the Privy Council (Mr. MacEachen) also replied to the hon. member for Dartmouth-Halifax East, on January 12, 1973, "that the Bryden committee report had been submitted to the government for its advice", adding that "it was not intended upon the setting of the committee that the report would be made a public document".

Mr. Speaker, it should be desired to promote harmonious and productive relations between the employer and employee associations. On the other hand, I believe that the government is entitled to have studies and reports prepared in order to throw light on a situation and to provide for any contingency. Otherwise, people could charge the government with not availing itself of the tools that can be supplied by expert officials.

Nowadays, public men often pay more attention to the patterns of a policy than to the policy itself, and I believe that we should realize it is essential, before setting objectives—and that is the way I do define the word policy—to gather evidence and to avail ourselves of the expertise of the professional people in the public service.

[*English*]

In 1966, the government undertook to provide for the public servants of Canada a system of collective bargaining. Since public servants did not fall under the jurisdiction of the Industrial Relations and Disputes Investigation Act administered by the Department of Labour and the Canada Labour Relations Board, nor under the several provincial statutes administered by the respective provincial departments of labour and provincial labour relations boards, it became necessary to introduce legislation to provide for such a system.

On April 25, 1966, the late Right Hon. L. B. Pearson, the then prime minister, moved the following resolution, as recorded on page 4242 of *Hansard*:

> That is it expedient to introduce a measure to provide for the establishment of a system of collective bargaining applicable to employees in the public service of Canada and for the resolution of disputes that may arise in the negotiation or conclusion of collective agreements applicable to such employees; to establish a process for the presentation of grievances of employees arising in connection with their employment and to establish a system for the adjudication of grievances of employees; to provide for the

establishment of a board, to be known as the Public Service Staff Relations Board, which shall be responsible for the administration of the said measure and to provide further for the constitution and appointment of such other authorities, officers and employees as are required in connection with the administration of the said measure.

The then prime minister went on to say, as recorded at page 4244 of *Hansard* for April 25, 1966:

In developing this new legislation the government has had certain general objectives in mind: First, to protect the public interest; second, to respond in an understanding and responsible manner to the aims and aspirations of its organized employees; third, to preserve the capacity of the public service to function efficiently in serving the people of Canada and, fourth, to respect the principles underlying industrial relations law and practice in Canada.

[*Translation*]

It is an acknowledged fact that the passage, in 1967, of the Public Service Staff Relations Act and of the Public Service Employment Act was a real breakthrough in the field of hiring and staff relations practices in the public service. Better still, these acts have been recognized as models of their kind and many other countries have seen fit to copy them and sent representatives here to study them. These pieces of legislation have drawn the world's attention, and I understand that the delegates who have been observing their application in Canada found them in most cases forward-looking, original and progressive.

[*English*]

In many ways the Public Service Staff Relations Act has achieved the objectives that were expressed in 1966 by the then prime minister. Although the legislation has been in effect for less than six years, over 300 collective agreements have been concluded by direct negotiation. There were at least 300 collective bargaining agreements and only five were settled by the strike route. I think this is a good record. Nevertheless, the government does not take a nonchalant attitude toward strikes in the public service. On the contrary, the government is acutely aware of the impact of public service strikes and is most anxious to assure that every reasonable effort is made to conclude collective agreements with its employees without disruption of service.

• (1730)

Moreover, the government has undertaken a review of the Public Service Staff Relations Act. In announcing the review, the Minister of Justice (Mr. Lang), through whom the Public Service Staff Relations Board reports to parliament, said:

The system of collective bargaining under the Public Service Staff Relations Act has been functioning for almost four years and sufficient experience has been gained to warrant an analysis and assessment of the act at this time. All interested parties including employee organizations and government agencies and departments, will be invited to express their views and recommendations in writing. The intention is to provide a vehicle whereby the views of interested parties can be co-ordinated and assessed in order that the government may clearly identify areas of concern and determine if revision of the act is required.

This was at the beginning of the Bryden committee hearings.

[*Translation*]

In my opinion, there should be a will to promote harmonious and productive relations between the employer and employee associations. This assumption does not negate in the least any possible conflicts. On the contrary, it should be admitted that disputes and conflicts will arise even under a sound system, but they reflect the positive climate that should prevail between the employer and employee representatives.

The settlement of conflicts between employers and employees depends largely on the spirit which will prevail during the resolution of those disputes. It is important that the legislation governing collective bargaining within the public service make it possible to settle disputes so that both parties involved may reach a satisfactory agreement which, through the solution of those problems, will reflect a responsible attitude.

However, let us not forget the major responsibility of the government and its employees which is to ensure an efficient service that meets the needs adequately. No staff relations system within the public service can be satisfactory if it does not take into account the legitimate and reasonable interests not only of the Canadian public but also those of the public servants.

[*English*]

On numerous occasions the government has expressed its intentions in regard to personnel relations. For example, on September 21, 1972, in an open letter to Mr. Barnes the executive director of the Professional Institute of the Public Service of Canada, the Prime Minister (Mr. Trudeau) said:

In answer to your letter of September 6 setting out a number of questions of concern to the members of the Professional Institute of the Public Service of Canada, let me assure you that the government is prepared to reconsider any legislation, on the basis of experience. As you know, the government and the Liberal Party have received numerous and varied expressions of opinion on the Public Service Staff Relations Act, the Public Service Employment Act and the Public Service Superannuation Act to which you have referred.

In regard to the Public Service Superannuation Act, you request my views relating to a full escalation formula which would maintain the relative value of pensioners' incomes when compared to those of persons continuing in the employ of the public service.

[*Translation*]

Mr. Speaker, the government is open to collective bargaining and intends to consider closely advantages which could result from amendments.

Because my time seems to be nearly up, Mr. Speaker, I should like to go back to one of my hon. colleague's remarks to the effect that there had been an effort to bring about linguistic balance in the public service. I am not aware whether the Bryden report deals with bilingualism; since my colleague mentioned it, I can do so as well. I believe he spoke of historical objectives and linguistic balance. Linguistic balance, Mr. Speaker, is something we must achieve. We are working to that end. It is an important measure, necessarily involving many difficulties, but it is an absolute objective for the public service, which is a bilingual institution.

Mr. Speaker, I should like to make a few remarks on a matter that I consider to be of great importance to this country, that of institutional bilingualism. Bilingualism in

the public service is recognized to be a deserving cause, and I would remind you that this is stated very clearly in section 2 of the Official Languages Act. To quote:

> The English and French languages are the official languages of Canada for all purposes of the Parliament and Government of Canada . . .

The act also compels every federal department and agency to serve the public in both languages, not only in the national capital but in any area where there is a significant demand for this service.

In my opinion, it follows quite clearly from this that the government and the public service must make sure that the qualifications for some jobs include theoretical and practical knowledge of both official languages, French and English, so as to attain the objective of institutional bilingualism.

It is worth reminding the House, Mr. Speaker, that the Official Languages Act, which all parties supported in 1969, was intended as a tangible and concrete sequel to the original statement by the late right hon. Mr. Pearson in 1966, which was repeated by the present Prime Minister (Mr. Trudeau).

The government and, in my opinion, the public service too, have remained conscious of these objectives and of the principles of justice and equity that must prevail, and have laid down guidelines along which the administration is to be brought to implement the principles I have just mentioned.

There can be no doubt that in such a complex and critical undertaking, these guidelines are open to different interpretations so that very often, unless we use all our goodwill to understand them correctly, they may give rise to misgivings that are not altogether justified.

Mr. Speaker, I should like to read a short paragraph from an article published in *Le Droit* on October 27, 1972, signed by Mr. Alain Duhamel and dealing with bilingualism, staff relations and the public service in general, and more particularly with negotiations concerning working conditions. Mr. Duhamel says, and I quote:

> By dealing only or almost exclusively with bilingualism in the public service, area candidates dwelled on the most visible component of the climate of concern among public servants. It is unfortunate that the debate at the constituency level did not cover all the other aspects of the relationship between the government and its employees.

• (1740)

Bilingualism may have been one of the most discussed topics here in the last two years, and with good reason. There were calls for justice and for several other things. I am still wondering whether the complaints were founded. On reading Mr. Spicer's annual report, one would think that the other side should have complained instead of the one which claimed to have cause for alarm. I could read excerpts from Mr. Spicer's report on the matter, but it might be preferable to postpone that till later.

One thing interests me greatly: we must now tackle an important question, that of working conditions in the civil service, labour relations and employment criteria. It would seem that the government wishes to negotiate, review and perhaps change the law with a view to giving civil servants some recognition in the field of employment, vested rights, and the laws they are entitled to, in order to enable them to become first class employees—which they are—to be treated as such in Canada.

[Mr. Gauthier (Ottawa East).]

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I observe there are one or two members who wish to speak so I shall make my remarks very brief. May I say it is not my intention to raise a point of order, but I do wish that we in this House were in order at this time. Because there is a Standing Order about a quorum, I hope that something might be done to make sure that we do have enough members here. It would be a shame to have this House adjourn, in view of the important business that is before us tonight, as I am not formally raising a point of order.

The motion before us is very simple and direct: it calls for the tabling of the Bryden report. I have on the order paper a similar motion which was debated a week ago, and therefore my support for this motion is very clear. I go along with the arguments made this afternoon by the mover of the motion before us today for this report to be tabled.

It seems to me that the public service and also parliament have the right to know what is in the Bryden report, which was made after an examination of the whole question of the Public Service Staff Relations Act. However, the debate this afternoon has only touched on that issue now and then: it has ranged over the whole question of the adequacy of our personnel relations and of the legislation governing the public service, so I want to say a word or two on that matter. Since I did not raise the other point of order to which I referred, I hope that no one will raise a point of order against my straying a little from the precise subject matter of the motion.

I feel that the time has come for the government to take a closer look at some of the grievances and complaints made by public servants. The whole question of how collective bargaining is working needs to be reviewed. In particular, the complaints that public servants have about certain matters relating to pensions should be given much more active consideration than they are receiving at the present time. Many improvements to the Public Service Superannuation Act itself need to be made. Then there is the burning question of the escalation of pensions after retirement which, in the case of public servants, is still limited to an annual increase of 2 per cent whereas in some other categories that limit has been removed. These are matters that ought to be dealt with without delay.

I want also to make a point regarding our employees in this very building. The hon. member for Ottawa East (Mr. Gauthier) correctly recounted some of the history behind the Public Service Staff Relations Act. He pointed out that under the direction of the late Mr. Pearson a bill was brought in and referred to a special committee. I remind him and the House that when that committee reported on the Public Service Staff Relations Act, it made a recommendation to the effect that something comparable should be established for employees of the House of Commons, the other place and the Library of Parliament.

As the hon. member for Ottawa East pointed out, prior to the passing of the Public Service Staff Relations Act

the only collective bargaining that we had in the federal field was that provided by what is now part V of the Canada Labour Code. But that did not cover public servants. Now we have the Public Service Staff Relations Act which does cover public servants—those who are, in effect, engaged by Treasury Board—but no such collective bargaining legislation covers employees of the House of Commons, the other place and the Library of Parliament. Their immediate employers seem to be the Commissioners of Internal Economy. Just as there is a Public Service Staff Relations Act to regulate labour relations between Treasury Board and public servants, in 1966, I believe it was, or perhaps in 1967, our committee felt there should be comparable arrangements for collective bargaining between the Commissioners of Internal Economy and the employees of the three entities that operate here on Parliament Hill.

I regret very much that that recommendation has been treated just as a pious sentiment and has lain dormant in the report all these years. I think the time has come to practise what we ourselves have proclaimed. Here we are, the Parliament of Canada: we say that the people in the private sector should have collective bargaining, that employees in the public sector and employees of the public service should also have collective bargaining, but for our own employees on this Hill no such arrangement exists. All we have is a pious recommendation. I think the time has come for something to be done about this situation.

At least I have enjoyed something this afternoon, Mr. Speaker. Most of us have the experience of getting up to speak and finding other hon. members walking out. Having drawn attention to the fact that a certain Standing Order should be observed, it has been my pleasure to see a few members come in while I was speaking, and I believe that we are now legally constituted.

Mr. Reid: Only under threat, Stanley.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I want to take a few moments to speak to this matter. I listened with great interest to my colleague and friend, the hon. member for Ottawa East (Mr. Gauthier), make what I thought was a magnificient defence of the status quo, a defence of the posture of inactivity. I think this, from a member who holds a seat in this area, is to be regretted. He said that the Bryden report may not have or did not have any special status but was typically an internal government report, a report to advise government. I want to say to my colleague through you, Mr. Speaker, that it may be that way to the government, because this sometimes characterizes their attitude toward the public service, but it certainly is not an ordinary report to the public servants themselves.

As I recollect the history of this report, having read it—though neither the hon. member nor I were here at the time—according to my understanding the public service staff associations were hurried into preparing their submissions for this particular committee because it was a matter of some urgency at the time for the government to deal with these matters. This urgency, which began some years ago, has now become mired in bureaucratic red tape of the kind that seems to characterize the government. One may suspect that these recommendations by an independent committee, following input from staff associations which speak for thousands and thousands of public servants, represented proposals so far reaching that the government did not have the stomach to face up to them. That is one of the possible reasons. Whatever the reason, the delay cannot be justified merely by saying this is an internal document, because this matter is important to the lives and future of many public servants not only in this area but in the whole of Canada.

• (1750)

At the meeting of the Standing Committee on Miscellaneous Estimates we had the pleasure of hearing the President of the Treasury Board (Mr. Drury) discuss the whole question of appeals when dealing with problems in connection with bilingualism. He said—I think I quote his words correctly—that generally speaking the Public Service Commission is a court of appeal from departmental decisions. He went on to say that the Public Service Commission has contact with people in connection with appeals involving the whole question of merit, but has nothing to do with appeals of cases which involve discipline.

We do not know this, but it may well be that the Bryden committee report recommended to the government that the jurisdiction of the Public Service Commission ought to be extended to matters of discipline within departments. It may have recommended that people who are dismissed or dealt with in any way from a disciplinary point of view ought to have the right of appeal to that court. For all we know, the committee report may have gone even further. It may have said that the Public Service Commission ought not to be the tribunal to which public servants look; that perhaps for all matters of appeal, whether they are with respect to discipline or merit, there ought to be an independent tribunal. We do not know that. None the less, these matters are important.

I suggest that not only should justice be done to public servants but it must appear to be done. I am sure that when public servants gather to discuss the relationship of themselves and their staff associations to their employer, they wonder whether justice is being done with respect to withholding something so fundamental, or whether it even appears to be done. I think they can be forgiven if they decide that justice is not being done. The procedure, as mentioned by the hon. member for Ottawa East (Mr. Gauthier), of continually evading or failing to answer questions on the production of the report makes them feel that they are not being looked after.

As the hon. member for Winnipeg North Centre (Mr. Knowles) said, the time has come when pensions ought to be dealt with and the whole matter of collective bargaining of public servants, and the parameters within which bargaining and negotiation take place, ought to be looked at. This report may well be an important document containing the views of a dedicated person after hearing the evidence which staff associations submitted in their briefs.

The hon. member for Ottawa East defended the status quo by quoting the Speech from the Throne, the catch-all of promises none of which has seen the light of day to any

great extent in legislation. I think it was on January 16 that I asked the President of the Treasury Board when he would bring forward the amendments to the public service acts. He said he would consult the President of the Privy Council (Mr. MacEachen) and advise the House. He hoped it would be this session, but he was not sure. This indicates the rather low priority that the government places on the whole matter of improving the lot of public servants, not only in the national capital, but in all of Canada.

There is no doubt that when parliament passed the Public Service Staff Relations Act in March 1967, it was welcomed by the Public Service Alliance and by many individuals. It was a major step forward. It ought not to have been the last step forward, but to date it is almost the last step forward that has been taken.

I have always hoped that this matter would come forward and that before the public service staff associations were asked to examine the legislation promised in the Speech from the Throne they could examine the recommendations contained in the Bryden committee report. When the promised legislative changes are brought forward, public servants will be in a disadvantageous position. Their position certainly will not be advanced by the fact that the government has seen fit not to bring forward this matter. I think public servants and their associations would have been better served if this report had been made public.

The psychology of the government is not really of justice. With all due respect to the government, its stand on this matter is inexplicable in light of the circumstances and the importance of the government of Canada as the major employer in this country. No amount of soothing, syrupy, empty phrases or empty defences of the status quo by members opposite will justify the failure of the government to release this report.

Questions were asked on May 6, 1972, March 7, 1971, and in April, 1971, concerning the subject matter of the motion we are debating today. All these questions contained the simple request that the government produce the report. The government may or may not rely on the report, depending on its point of view, but in failing to produce it the government has done the public servants of Canada and their staff associations a disservice. I am sorry to have to say that.

The Acting Speaker (Mr. Laniel): Order, please. It being six o'clock, the hour appointed for the consideration of private members' business has expired. I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[Mr. Baker.]

GOVERNMENT ORDERS

[*Translation*]

NATIONAL HOUSING ACT

PROVISIONS RESPECTING NEIGHBOURHOOD IMPROVEMENT, REHABILITATION, OWNERSHIP, NEW COMMUNITIES, ETC.

The House resumed consideration of the motion of Mr. Basford that Bill C-133, to amend the National Housing Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. René Matte (Champlain): Mr. Speaker, the massive participation of my colleagues from all sides of the House to the debate on this bill proves that it bears on a capital problem which unfortunately has been neglected for too many years. To prove may point, may I be allowed to refer to an article published in the magazine *Le Consommateur canadien* (The Canadian Consumer) for April 1973, which proves that we are ahead of our times, as this is still the month of March. In this article entitled "Les consommateurs et le logement" (The Consumer and Housing), Mr. Speaker, the first paragraph reads as follows:

> The average Canadian does not consider himself as a housing consumer. He certainly does for food, gasoline, clothing and daily services, but not at all for housing. This is something too substantial to be consumed. Furthermore, it is more a matter of investment for those who own a house. Most Canadians are used to capital gains from real estate to think about the cost of housing from a consumer's point of view.

Mr. Speaker, housing has been the exclusive field of builders or developers for too long. In many cases, builders have been incompetent and developers have been unscrupulous.

On Monday last, we heard the excellent speech made by the hon. member for Portneuf (Mr. Godin) who explained to us in revealing details how the poor consumer has to struggle against odds when he is buying land or against developers who are more interested in "making a buck" than in building houses properly. It is an inacceptable fact that he has to face the misunderstanding if not the dishonesty of Central Mortgage and Housing Corporation management.

No wonder these housing sharks undertake lawsuits which are as ridiculous as they are enormous. We are aware that my colleague from Portneuf is being sued for $500,000 with both the CBC and the newspaper *Le Soleil*, by a Quebec area homebuilder.

As it is obvious that the small wage earners are having difficulties in the housing field, and there is also the fact that my colleague from Portneuf is now feeling the consequences.

• (2010)

Why is it so? Let me refer once more to the article I was speaking about a few moments ago. The second paragraph states, and I quote:

> Housing is undoubtedly a consumer item. It is something everybody needs and has to use, under one form or another. It is something which costs money in one way or another. It is also an item which absorbs usually between 25 and 30 per cent of the family income in Canadian cities. As a matter of fact, housing represents one third in the consumer price index. At times, in low income families—

This is, Mr. Speaker, I believe, the important point of the paragraph I am reading.

I continue to quote:

—who do not live in public housing, it may swallow up to half of the family resources. The general rule according to which "the poor is the one who pays more", applies very well to housing, because compared to middle income families, those who are in the 20 per cent bracket at the bottom of the income scale spend twice as much for housing.

The average housewife or head of the family is not as well informed or in as good a position about housing costs as about the prices of cars, groceries, drinks or dry cleaning. Even though a house might be the most important purchase they do during their life, it is the item of their budget on which they have the least degree of control. The same is true when it comes to renting a place to live.

The fact that buying a house or renting a place to live are not everyday occurrencies puts the consumer, either single or married, in a position twice as vulnerable. If we were to buy a house every month or even every year, we would behave more like housing consumers. We would begin to know in what way the dice are loaded against the purchaser: the consumer.

Thus, Mr. Speaker, low income groups are being pushed around. They take for granted that there is nothing they can do about it and let each and everyone meddle in the field of housing, almost without complaining. How could it be otherwise when one sees that even government organizations fail to protect their interests. And in order to support that allegation, Mr. Speaker, I will refer once again to that article, the value of which cannot be put in question since it was written by the senior consultant of the Central Mortgage and Housing Corporation in Ottawa.

Thus, I wonder how it is that the senior consultant of the CMHC sees problems just like we do ourselves and that effective programs in that area are still on the drawing board.

In this respect, Mr. Speaker, may I quote an important paragraph from the article written by the senior advisor of Central Mortgage and Housing Corporation:

For instance, let us simply look at two aspects of the National Housing Act in relation to the consumer. If you buy a new house with a mortgage loan under the Act, an inspector will come and look at the project at least three times during construction. The point is that he does not come to protect you, but to protect the creditor who provides the loan. As a buyer, you have no formal guarantee as to materials and labour, but you may of course hire an inspector or an expert at your own expense. When you buy an automobile, a refrigerator or a television set, you get a guarantee that protects you to a degree, but you get no guarantee when you buy a house that is much more expensive and is paid over a much longer period.

It is almost unbelievable, Mr. Speaker, to find that one of the senior advisers of a corporation which is directly connected to the Department of Urban Affairs gives valuable advice to the minister when saying: Your legislation is not meant for people with a low income; it does not assist the man who earns an average salary or income. The law does not protect them at all. On the contrary, it merely protects the investors, the creditors, the people who have capital and make it profit.

Mr. Speaker, this situation is ridiculous and, again, when we find that some people in the right place are capable of giving appropriate advice, we are truly wondering.

At the risk of being lengthy, I should like to quote another paragraph of Mr. Laidlaw's comments which support my view:

If you obtain a mortgage loan under the same act, you must make a down payment of 1 per cent . . . of the total amount of the loan, to be paid into the Mortgage Insurance Fund controlled by the CMHC. For whose protection? The buyer's? Not at all. The purpose of the fund is to protect the lender if necessary. But, and there is the rub, you make this payment even though the lender is already holding a mortgage on the property. It seems strange that consumers seem never to have wondered about this. It could be thought that if lenders need additional protection over and above the mortgage it would be up to them to finance it. It could also happen that consumers might wonder why they are called upon to pay for protection to lenders. In an editorial in the October 28 issue of the *Financial Post*, it is pointed out that the MIF has now gone over the impressive figure of $300 million, "whereas" applications for compensation have reached only $10 million. Consumers have shown themselves to be willing contributors to the consolidation of mortgage loan operations.

Mr. Speaker, I cannot overstress, and I hope the minister is paying carefull attention, my astonishment over the fact that a public servant, a senior adviser of the CMHC should make such recommendations without our having had the proper reaction before today.

I sincerely hope the bill we are to consider will correct this. I also hope, Mr. Speaker, that in this field as in all others, policies truly geared to the people will finally be implemented. It is evident that housing is a very vulnerable point for Canadians and that housing is not something you can do without.

Whether we like it or not, Mr. Speaker, we have to have shelter, especially in a country like ours where life is a constant struggle against the elements. That is no doubt what brings, once again, the CMHC's chief adviser to write the following, and I quote:

Housing is a field in which demand is constant, and the average consumer is especially vulnerable. To begin with, it is not something optional, least of all in the Canadian climate. Also, not only is it a highly complex field involving economic, social, legal and regulation factors at various levels, but also the consumer's choice is very limited. An average family can easily find itself caught in a situation from which it is very hard to escape: legal texts tend to be irrevocable, moving is expensive and takes its toll on family life, and social barriers often can not be broken down. Nobody can choose where he is going to live as freely as he can choose a car.

• (2020)

Mr. Speaker, I think we can see from these few paragraphs of the article just how deeply Canada has been affected by the housing question. I might congratulate the minister on having become aware of this very acute problem, in the light of which Bill C-133 now before us deserves our closest attention.

There are in fact economic and social factors to complicate the finest principles a bill can contain. One can therefore come to ask oneself to what extent Bill C-133 can fill in the gaps we have seen.

I should like at this point, Mr. Speaker, to take the case of the province of Quebec, which for years—and nothing was done about it until five or six years ago—has been apart from the other provinces as far as housing and homes are concerned. I remember quite well that even 15 or 20 years ago Central Mortgage and Housing was refusing almost every loan application from potential home owners in the province of Quebec, and it was not because

of racial or linguistic discrimination but merely because housing concepts are different in a country where regions are quite different one from the other.

For one loan granted in the province of Quebec, 50 or 100 were granted in Ontario. Why? Simply because those setting out the housing standards and regulations were acting on the basis of an Anglo-Saxon concept. It is as simple as that, Mr. Speaker, and at that time the administration of the act became impossible. How can you justify that?

Today the problem is perhaps less extensive but I think here again that the legislation should take into account the difference between regions in the field of housing. It must be recognized that the French Canadian in Saint-Marc-des-Carrières or Portneuf does not perhaps have exactly the same concept of housing than the man in Edmonton or Vancouver. Then it would not be necessary to legislate and impose regulations which go against his own individual thinking.

The result has been a certain kind of discrimination which was not deliberate, however in the future this will have to be totally remedied.

There is another problem that must also be considered when discussing a question such as this and still in connection with the province of Quebec, Mr. Speaker; people are very poorly informed about the benefits of federal legislation.

I wonder, for example, to what extent municipalities in Quebec are aware of the fact that Central Mortgage and Housing can help them solve their sewage disposal problems and all sorts of other problems relating to housing.

Then, I reflect that the minister should have public relations officers whose responsibility would be to explain to the municipalities, in the province of Quebec in particular, all the possibilities contained in the act, and I am anxious that this new act is passed so that it can be used.

This is what occurred in Quebec, I think. The advantages offered in some federal acts, because of continuing constitutional disputes, end up being ignored by Quebecers. There again, the victims are the common people. Therefore, I wonder whether, in such a situation, the minister should not consider having very specific information distributed and see to it that his departmental officials are prepared to inform the municipalities.

Here is another point with which I should like to deal also. The importance of urban centres like Montreal, Toronto and Vancouver, among others, is generally acknowledged, but more and more villages and small towns are being forgotten, which is most unfortunate. Many of our current problems, especially housing problems, simply result from excessive centralization, and should the government policy make for even greater centralization, where will that lead us?

We want to control pollution, to preserve our environment, and we keep doing every thing to promote further deterioration of some demographically strategic centres. In fact, any housing policy likely to encourage decentralization should be supported, because such a goal is extremely important. Increased decentralization will result, by the same token, in investors being urged to diversify their investments, which will serve the best interests of the people.

Mr. Speaker, the article I was just quoting is quite important and I would advise the minister to have frequent meetings with his main adviser from Central Mortgage and Housing Corporation, who will explain to him how to come up with an adequate piece of legislation.

Some will say that as a matter of fact Bill C-133 will remedy all the shortcomings in the housing field. However, we all know that perhaps the most important thing will be the regulations that will follow as everything depends upon them. If they are not drawn up as they should, the legislation might be inadequate and even the best provisions of this bill will be useless.

This is what motivates my being in agreement with the Social Development Council of Canada. In its memorandum to all hon. members, on January 30, 1973, this Council seems to have grasped the problem quite accurately. In fact, its criticisms of Bill C-133, are accompanied with recommendations and general comments with which I am in general agreement.

• (2030)

Let me quote a few excerpts from the brief we received from this organization:

> The housing committee of the CCSD finds that Bill C-133 includes a number of remarkable amendments that will make it a better legislation than the former one.

That is at least something!

And I quote further:

> —We are particularly happy that the compulsory sharing of costs by provinces and municipalities has been removed from most programs, that important and new provisions on co-operative housing and on new communities have been added, that the leasing of land development areas is facilitated and that the development of lands outside neighbourhood improvement areas is provided for.
>
> We are still wondering how this bill will truly improve housing condition for low income groups. This is a persistent concern because these amounts of the grants—which are determining factor in order to know whether the proposed programs will be beneficial to the low income groups—are not specified generally in the bill and are left for regulations. In the committee's opinion, Parliament rather than this government should determine who will benefit from state-subsidized programs. We, therefore, believe that as far as possible the amounts of the proposed assistance should be stated in the bill.

It will be easily understood therefore, that I make the same reservations as the Canadian Council on Social Development with regard to this bill.

We recognize that the principles stated in Bill C-133 seem to be excellent but we are wondering about its lack of precision. How will it be remedied? As a matter of fact, senior officials of the department will be the ones to enact those regulations. And that is why we are in expectancy and are wondering what will be those regulations exactly.

In concluding my remarks, I also agree with the following remarks in the submission which was presented to us:

> Since the new housing programs are only outlined in this bill and it is obvious that their success or failure will mostly depend on the relevancy of the regulations under the act, we urge the Minister of State for Urban Affairs to conduct extensive consultations on the drafting of the regulations, not only with provincial and municipal housing authorities and the building industry, but also

with other segments, the participation of which is essential to achieve the purposes in the field of housing. Namely the sponsors of non-profit housing and co-operatives and groups of citizens of all kinds.

Mr. Speaker, I believe that if the minister is really aware of the recommandations that were made to him from all sides, and especially if he takes heed of the recommandations of organizations most concerned with the welfare of the small wage earner, of those who dream of owning their home, he should give those people the greatest consideration.

We should have had a long time ago measures for the benefit of all families, especially young couples, because all things are interdependent. And if nowadays, especially in the province of Quebec, there is an alarming drop in the birth rate—when one considers that once our province had the largest families—housing has much to do with it, I believe, and when a couple cannot enjoy a minimum of comfort because it is too hard and too expensive to build a house, the social consequences are disastrous.

That is why when dealing with the housing problem, we are tackling a much more serious and important one; if we solve the housing problem, it will be easier to deal with other social problems.

[*English*]

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, the average Canadian does not think of himself as a consumer of housing. Food, fuel, clothing and everyday services, yes; but housing, no: it is somehow too substantial to be consumed and, moreover, for those who own a house it is more like an investment. The majority of Canadians are too accustomed to the capital gain attached to home ownership to be much concerned about the cost of housing from the consumer viewpoint. Yet, Mr. Speaker, housing is clearly a consumer item. Quite possibly this could be the reason the Minister of State for Urban Affairs (Mr. Basford) was switched from the consumers affairs department and put, in fact, in charge of the biggest consumer problem of all.

Mr. Stanfield: Oh, no; John Young recommended him.

Mr. Reynolds: Mr. Speaker, housing is something that everybody needs and must use in one form or another. It, of course, must be paid for in one way or another. Unfortunately, in this country it is not uncommon to see 25 per cent to 30 per cent, or even more of the family income eaten up by this cost. It is a fact that one-third of the consumer price index is represented by the cost of housing.

It is a sorry state, Mr. Speaker, when statistics verify that compared to the average, people in the lowest 20 per cent of income category in this country spend twice the proportion of their income for shelter as those at the other end of the scale. The exceptions, of course, are the low income families who have been able to secure far too little of the public housing that is available.

No consumer is more vulnerable than the home purchaser. If he had to buy a house every month, or even once a year, he would be much more aware of how great the odds are against him in buying a home. Events in the past few years have indicated a growing awareness and concern about the cost of cars, groceries and various food stuffs. And, Mr. Speaker, when I indicate that the scales are tipped against the buyer, consider for example just two aspects of the present National Housing Act in relation to the consumer. If you are buying a new home with a National Housing Act mortgage loan, an inspector will call at least three times during construction to examine the work in progress. To protect you is not his prime aim; his aim is to protect the lender who is providing the loan. As a purchaser, you get no firm guarantee of the materials and workmanship. You may hire an inspector or examiner on your own, but this is very seldom done. At least when you buy a car or a television set there is some kind of guarantee that gives you a measure of protection, but there is no firm guarantee when you take on the much costlier, long time purchase of a home. In most cases it is the most important purchase made in a person's lifetime.

Now, Mr. Speaker, add to this the fact that presently a 1 per cent premium is charged on the total loan as mortgage insurance held in trust and managed by Central Mortgage and Housing. One has to ask, for whose protection are you paying this 1 per cent? Are you paying for yourself as a buyer? No; the mortgage insurance fund is for the protection of the lender in case of default. But you, the buyer, pay the premium even though the lender already holds your mortgage. Consumers, strangely enough, never seem to question this arrangement. One would imagine that money lenders, if they needed extra protection over and above the mortgages that they hold, would provide it themselves at their own expense, or that consumers would at least question why they must pay so directly for safeguards for the lenders. On October 28 an editorial in the *Financial Post* pointed out that the mortgage insurance fund is now worth an impressive $300 million, while claims against it are only $10 million. Consumers have certainly paid well to ensure the operation of mortgage lenders.

So badly dealt with has been the consumer of housing or shelter that it is accurate to describe the consumer as a chap with hat in his hand, asking for this consideration or that consideration even though he is the one who is paying at every turn. This kind of ridiculous situation has made the consumer slowly more aware of the collective power that is needed for his own protection. We have seen this already in tenants' associations, where a united front has been presented to bargain with landlords. But, Mr. Speaker, there is still a long way to go to balance the scales as between supplier and seller on one hand and buyer and consumer on the other.

I submit, Mr. Speaker, that judging from the statements and actions of the minister responsible for housing, or by any of the legislation provided by or introduced to the House of Commons, the government does not understand the current housing needs and problems of this country. It is not sufficient for the government to listen to only the demands of the provincial governments and to ignore the advice of people who are actually building the houses.

There can be no doubt in anyone's mind that the major contributing factor to over-all costs has been the accompanying spiralling cost of land. However, with all these problems it would be interesting to get an accurate estimate of the number of lots virtually ready for develop-

ment in this country but for the long, long list of government regulations and red tape involved in clearing them prior to the issuance of construction permits.

• (2040)

It does not take a great amount of intelligence to estimate what would happen to the over-all cost of land if thousands of additional lots were put into the marketplace. And I do not refer to the feeble attempt of the NDP government of British Columbia which has enacted Bill 42 respecting the Land Commission Act. That bill is Marxist in tone, Marxist in ideal and Marxist in implementation.

An hon. Member: You will appreciate the day they passed that bill.

Mr. Reynolds: The NDP was the party of principle in the last election, but it sold out the people of this country and it is now afraid. I cannot wait for the next election in British Columbia.

An hon. Member: Neither can we.

Mr. Reynolds: After that election, colleagues to my left will not need to make the long trip back to the province at weekends. Bill 42 is, quite simply, a bill that has no place in Canadian society, has no precedent in Canadian history and is contrary to the rights of every Canadian citizen.

Some hon. Members: Oh, oh!

Mr. Reynolds: It is certainly nice to see that my remarks are disturbing members of the NDP, because they do not like going home at weekends as much as they once did.

There was an opportunity to set an example in the make-up of that bill by offering serviced lands to municipalities for the purpose of providing inexpensive lots, but in fact that legislation has increased the value of lots presently available because all lands have been frozen indiscriminately. Every municipality has been relieved of its ability to plan for itself and all lands lie in the hands of appointed commissioners responsible to no one.

The principle of supplying inexpensive, serviced lots, however, does remain the key factor for major reductions in the total cost of a home to the consumer. In addition, a relaxation in the growing list of restrictions on subdivisions, and in the increasing requirements of elaborate local servicing would result in lower prices. Also, Mr. Speaker, let us not forget the federal sales tax on building materials. This must be considered, as well, as a factor in the high cost of housing.

We do not need another $1.5 million study by the Minister of State for Urban Affairs to tell us what we already know, that in every region of Canada housing is needed and in every region of Canada there are different housing problems. The $1.5 expenditure is a complete waste of money.

Why, Mr. Speaker, does this government refuse to listen to the provinces? Why does this government refuse to accept the fact that the provinces know more about the needs in their area because, together with municipal governments, they have been building and controlling housing? Why will the federal government not get out of housing and let the provinces take over programs and the accompanying tax revenues to pay for them?

In the last five years, Mr. Speaker, one can examine several significant factors in the housing industry. Let us take some prices of residential building materials. I have picked Vancouver and typical spring selling prices. In the last five years, lumber per thousand board feet has almost doubled in price. The price of siding has doubled per thousand square feet, floor finishing has also almost doubled, and face brick has gone up approximately 50 per cent. Although the increases I have just mentioned sound considerable, I suggest that in many cases they are no greater than increases for products used in other industries. But let me just draw attention to one other particular item. This, Mr. Speaker, I refer to through personal knowledge.

In 1966, a contractor in Delta erected a 1,000-square foot, three-bedroom, no basement bungalow. The cost of the lot was $900. The price to the consumer of the finished product was $11,900. The difference, Mr. Speaker, between land and house was $11,000. The same contractor, in February of 1971 built an identical home in Haney, even farther from Vancouver. Again it was a 1,000-square foot, three-bedroom, no basement home. The lot price was $4,000. The finished price to the consumer was $19,500. The difference between the cost of the lot and that of the finished house was $15,500. The contractor was rewarded approximately the same amount for his efforts, but there was a 400 per cent increase in the price of the same sized lot in a period of five years.

The same contractor, in February of this year, in Aldergrove, British Columbia, 40 some miles from Vancouver, constructed a 1,000-square foot, three-bedroom, no basement home. The price to the consumer was $24,900. The price of the lot was $8,000. The difference between the price of the lot and the price to the consumer was $16,900. But, Mr. Speaker, now we are looking at an 800 per cent change in the price of the lot. Also, I am informed by the same individual that as of this month the cost of a lot of this size has risen another $1,000 because of the land freeze in British Columbia.

An hon. Member: Balderdash!

Mr. Reynolds: That is what happens when an NDP government is given responsibility in this country.

An hon. Member: Oh, oh!

The Acting Speaker (Mr. Boulanger): Order, please. I cannot speak for other hon. members, but I know it is difficult for the Chair to follow the speech of the hon. member who has the floor.

An hon. Member: It is illogical, that is why.

Mr. Reynolds: It does not please the NDP to hear comments that hurt them deeply. The conclusion, of course, that one can draw from all this is that the single, greatest contributing cause of the spiralling increase in the price of housing is the cost of land. Add to this, however, the regulatory additions, deletions and amendments that every builder must comply with for every area of every

part of Canada and one soon becomes lost in the mess of tangled building restrictions and codes.

For example, the village of Lions Bay announced recently that they had adopted the 1970 National Building Code of Canada. However, for village purposes there were additions and deletions to the code. Those items have to do with changes in plans which refer to technical information, additional powers of building inspectors, building permits, completion dates, applications for permits, the responsibility of the owner, notification of the building inspector to obtain his inspection and approval, forms for footings and foundations completed in cases where the pouring of concrete is prohibited, etc. In addition, other regulations have to do with electrical permits, health inspections and septic tank approvals, all these being items whose over-all effect is to increase greatly the cost of the home without providing any real, additional benefit in the form of safety or guarantee to the home owner.

The question raised by many builders is, why is there a National Building Code at all when every municipality of every region of the country puts in its own amendments, changes, additions and deletions? Certainly the money spent by this administration in travelling across the country to tell us that there are differences in each region could have been more wisely invested in obtaining some kind of true National Building Code. Working with the provinces and municipalities, they could have approved the same items for each region of this country.

Now, Mr. Speaker, I would like to make a comment about Bill C-133, far too often referred to as the housekeeping bill. But I suggest that unless Bill C-133 is accompanied by a simultaneous move by the government to extricate itself from activities which can be properly performed by private enterprise, such as mortgage insurance, direct mortgage lending, etc., we face the danger of turning CMHC into an uncontrollable, bureaucratic colossus. I would like to point out that clause 7 of Bill C-133, which amends section 15 of the National Housing Act, will permit a contribution or grant by CMHC to a non-profit corporation of up to 10 per cent of the capital cost of a project. After such grant is received, the non-profit corporation is presumably entitled to obtain a loan equal to the total lending value, which is usually the total cost of the project. Technically, then, it would appear that, for instance, a non-profit organization which builds a $5 million senior citizens' project would initially be able to obtain a $500,000 grant from the government, and subsequently obtain the $5 million in mortgage funds, leaving the erstwhile organization with a net surplus of $500,000 for future worth-while projects in whatever field of endeavour they desire.

Mr. Speaker, in British Columbia we are very familiar with some of the worth-while projects which have been undertaken by organizations with this kind of money at their disposal. One of the most worth-while projects undertaken involved the payment of $10,000 to four drug addicts who were in prison!

An hon. Member: Explain.

Mr. Reynolds: I will. Four convicts in my riding were given a total of $10,000 by this government to do a study on heroin. Of course, their reply was that we should legalize it and also abolish prisons. One of the four convicts on the project then left the country with $3,000 and a 17-year old girl from the neighbourhood. So it concerns me when this government talks about money being left over for erstwhile projects.

• (2050)

Present interest rates triple and often quadruple the actual cost of a home by the time it is paid for. But the government concerns itself more with legislation affecting the number of shirts that may be imported into this country than with the protection of the consumer of housing who has to pay thousands upon thousands of dollars just to provide himself and his family with a roof over their heads. So ridiculously expensive has housing become, Mr. Speaker, that jokes and stories about it are now commonplace.

I should like to close with a comment on the standing committees of the House of Commons. Under the present system, the Standing Committee on Health, Welfare and Social Affairs encompasses the Department of Urban Affairs as well as the Department of National Health and Welfare. This committee presently has the departmental estimates as well as the old age pension legislation to consider. Heaven only knows when it will get to the housing bill.

Housing and urban affairs are major areas of concern which this country will face in the coming years. I would strongly recommend to the President of the Queen's Privy Council (Mr. MacEachen) that the government immediately set up a separate standing committee of the House to deal with housing and urban affairs in order that as members of parliament we can properly, and with haste, deal with the serious problems facing all Canadians.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, during the few minutes allotted to me, I wish to draw the attention of hon. members on the serious problems which will remain in the housing field as a result of the inadequacies of the bill now under consideration.

The government recognizes the importance not to say the urgency of a speedy intervention to solve that major problem for all citizens, but once again it is unable to carry out the essential steps. Instead of grappling with the basic issue, it merely beats about the bush and amends the existing legislation.

The Canadians were not expecting the misgivings and half-measures in which the government delights. The Canadians are demanding an opportunity to live in decent dwellings at decent prices, which is in no way guaranteed in Bill C-133.

In some countries enjoying a tropical climate with sunshine and hot weather, a house is not a necessity.

In Canada, during the winter months, it is necessary to have not only a roof, but also walls and windows which keep the heat inside and keep the proverbial cold of the Canadian winter from sneaking in.

Of course, some well-to-do people follow migrating birds and, away from the cold, lounge around on the

beaches of Florida or somewhere else, but the vast majority of Canadians must put up with the severity of our climate. It is therefore absolutely necessary that all these people may enjoy the protection of a decent house built to withstand wintry cold.

Unfortunately, the current situation falls far short of this need. In the report from the Senate special committee on poverty, one can read as follows:

> Task Force on Housing and Urban Development estimated there were 5,500,000 housing units in existence in Canada in 1968. Half a million of these were substandard.

I insist on this, half a million housing units were substandard. This means therefore that out of the 5,500,000 housing units in existence in Canada, half a million were below standards established on the basis of climate or social environment.

But that is not all. Coming back to the poverty report, and I quote:

> The number of families and individuals requiring housing is 5,700,000. It is as simple as that.
>
> The Task Force also noted that a minimum of 200,000 housing starts would be required between 1969 and 1973 simply to maintain the existing situation.

And yet, in 1970 alone, 190,528 housing starts have been made. So this means that over 200,000 Canadians are now deprived of housing while over half a million live in dwellings quite inadequate in view of our harsh climate.

This is a real scandal and despite its half measures and patchwork measures the government will fail to hush it up. When we know that over 700,000 Canadians or Canadian families are without a home, the time is long past for amending or patching up legislation which has helped such a situation to continue.

The government must deal with the disastrous housing situation with measures in keeping with the urgency and the seriousness of the problem.

Here are some measures that the government could have taken had it really wanted to get down to the roots of the unrest in the housing sector.

The government must first understand that for the average citizen the building of a house involves the purchase of land. If he must lay out $5,000 or $10,000 to buy the land, how will he then be able to cover the cost of the building and the materials if he does not earn a prime minister's salary? How will he be able to build his house if the cost of the land exceeds the amount he has available?

He never will unless the government undertakes to set up land banks for resale at reasonable prices and on conditions acceptable to citizens who wish to build their home. This first measure would result in bringing home building within closer reach of everyone and contribute to stop this despicable speculation which is flourishing in real estate.

The barons of the industry who "play" with land values and create artificial shortages to gratify their cupidity make exaggerated profits from the population. Real estate profits have gone up by over 54.8 per cent from 1971 to 1972. Such an increase in profits is improper and reflects excesses in this field.

So the government must protect the citizens against speculators, and the setting up of land banks for citizens who wish to build a home despite their limited salary is a solution which immediately comes to mind.

But the citizen who is lucky enough to get a lot for a good price has not overcome all the difficulties yet, far from it. He must buy the materials which will be used to build the house. So, he finds out that he must pay an 11 per cent sales tax on those building materials, a higher tax than the levy on luxury articles. One would imagine that for the government housing is a luxury.

• (2100)

It is true that when one is stretched out on a beach in Florida one does not realize that in winter a house is quite important.

The Créditistes have fought against that 11 per cent tax on building materials for a long time because they know it keeps thousands of Canadians from affording decent housing. The government alone is responsible for that situation. It knows that this tax has an extremely negative effect on all those who would like to build a house but who cannot afford to pay more than one tenth of its value.

The increase in the cost of building materials is also added to the 11 per cent tax. By the way, it might be pointed out that manufacturers and retailers of these materials have seen their profits go up by 35.8 per cent between 1971 and 1972. This considerable increase in their profits also came from the pocket of the average citizen and that is another scandal.

As can be seen, the government and their good friends the building speculators are doing quite well. The government is getting richer through the 11 per cent tax while the large builders increase their annual profits in proportions out of reach of the imagination.

I once again urge the government to eliminate the 11 per cent tax on building materials. Building a house is no luxury and the government must understand it.

In that area again, the problems of the citizen who wishes to build a home are not over. If he is a low or middle income worker, he will have to borrow the money which will allow him to provide his family with a home. He is then confronted by the most absurd stupidity of our present system. Since interest rates are spiralling at a speed which evades governmental control, the citizen will have to pay more than four times the value of his house over the years.

With the present interest rate, a $18,000 house costs between $52,000 and $53,000 to the owner over 25 years, and $75,000 over 40 years. A $20,000 house will cost $58,000 over 25 years and approximately $84,000 over 40 years.

This situation is tearful. Of course, the usurers who shamelessly take advantage of the scarcity of money find it laughable because they benefit from the system.

A man runs into debt for 40 years simply to provide his family with a home for which he will pay three or four times its real value, and some people think this is normal.

But we have not yet reached the utmost degree of stupidity in this area. When a person has to run into debt for 40 years in order to pay for a house that is guaranteed

only for a period of 20 years under present standards, we reach the most incredible aspect of the present system.

We grant a 40-year loan to someone so that he can buy a house designed to last 20 years, and some people think this is normal.

The leader of the Social Credit Party (Mr. Caouette) is perfectly right in stating that under the present system, you mortgage tomorrow's salary so that you can buy today products that were made yesterday.

Mr. Speaker, it is inconceivable that a system which tolerates such absurdities can go on poisoning the lives of millions of citizens who normally should have access to the resources of our country. The government should lend an ear to the thousands of Canadian families which are deprived of the bare necessity, namely, a home.

Here are three measures which the Social Credit Party of Canada has proposed to all Canadians throughout the electoral campaign, and I want to remind the government of them today, so that it may consider the true wishes and needs of the Canadian people. I quote:

First:

(1) Promotion of single family dwelling construction through guaranteed long term loans at a maximum interest rate of 3 per cent . . .

(2) The owners of single family dwelling will also be eligible for an income tax deduction not exceeding the amount of their mortgage interest and the total of their municipal and school taxes, that reduction being limited however to $1,000 a year . . .

The Central Mortgage and Housing Corporation would limit its role to that of a financial agent for mortgage loans to constructors of single family or multiplex dwellings and to making available to the provinces and municipalities the funds required for public services for those housing units (water, sewage, fire, sewage-water treatment services) through loans covering administration costs, in co-operation with the Bank of Canada and the National Credit Board.

These are the suggestions we put forward many times and in various occasions. The government seems to turn a deaf ear to the measures that we advocate on behalf of all Canadians who suffer from the anti-social policies of this government.

But the government will not make fun of the aspirations of Canadians much longer. It seemed prepared to listen to the voice of the people after the October 30 election, but after the speech from the throne, it has sunk into its usual state of lethargy.

The Canadian people are tired of waiting for legislation that meet their needs. They are fed up with half measures and hesitations. They are fed up with band-aid and patchwork. What they want—and the Creditiste say it again and again to the government—are measures which will enable all Canadians to live in decent and adequate housing suited to our severe climate, and also measures which will not require individuals to go into debt for 40 years and pay four or five times the price of the house he wants to build or buy.

This is what we ask of the government, Mr. Speaker, and we make this request on behalf of half a million homeless people forgotten by the government.

[*English*]

Hon. Paul Hellyer (Trinity): Mr. Speaker, although there are some good features in this bill it falls short of meeting the real needs of housing and urban development in Canada at the present time. I must, of course, applaud the good features. Most of them—in fact, I think all of them—were recommended in the report of the task force on housing and urban development four years ago. Consequently, I am delighted and would be churlish if I did not congratulate the minister for finally seeing the light and introducing some very necessary amendments that should have been made many years ago.

In order to meet the real needs of the Canadian people, however, we will require a much more comprehensive and effective approach. The housing situation in Canada has deteriorated very considerably since the mid-1950s. In the mid-1950s a working man with a decent wage could aspire to the ownership of a house. Today, in most parts of Canada, that is out of the question. As the hon. member for Calgary North (Mr. Woolliams) pointed out last Thursday in his speech on behalf of this party, according to a study released recently by the Urban Development Institute of Canada, in 1961 an annual wage of $5,284 was needed to buy a house. This reflective figure was prepared by Central Mortgage and Housing Corporation. In 1971 an income of $16,623 was needed to buy a house, and only 4 per cent of the population could afford it. This is really a shocking situation, one that is totally unacceptable for Canada. It is a prospect that must really depress the average working person in this country. So rather than making progress since the mid-1950s, we have slipped, and slipped badly, and something must be done about it.

The cheapest new house available in some of our bigger cities today is in the range of $38,000 to $40,000. A front page newspaper article in one of the Ottawa papers tonight indicates that the average single family dwelling in Ottawa costs $39,000. In Toronto, the cheapest row house, or town house as they are called, costs about $38,000. The cheapest single family dwelling in the metropolitan area of Toronto will be of the order of $45,000 minimum, because the latest lot sales in the metropolitan area of Toronto—and this is land well out into the suburbs—were at $24,500 each. That is for a 50-foot minimum lot without a building. It costs $24,500 for a piece of land on which there is nothing except a little bit of pipe in the ground that is necessary for the provision of water and the elimination of sewage.

• (2110)

It would be ridiculous, in fact it would be impossible, under the bylaws of any of the areas around metropolitan Toronto to build a house which cost less than $20,000, so the very minimum price for a new house, a little box on a 50-foot lot, would be $45,000. That would be no great mansion, I can assure you. In my opinion, this constitutes a national tragedy. It is a trend which cannot be allowed to continue. If it is allowed to continue it will constitute a catastrophe for Canada and for the standard of living to which our people aspire.

In a question to the Minister of Finance (Mr. Turner) the other day I said that if the present trend continues, by the year 2000 the cheapest new, single family house in the greater metropolitan Toronto area would be well in

excess of $250,000. I hear some "oh's" and "ah's" and expressions of incredulity around the House. All you have to do is take the present prices and multiply them by the present rate of inflation, which is 5.8 per cent on an annual, year-to-year basis, and you find that by the end of the century, which is coming upon us very quickly, the cheapest single family dwelling house in the greater metropolitan Toronto area will be $250,000 or more. This will be well beyond the means of practically all of the citizens of that metropolitan area. In the face of this tragedy I think a radical approach is required and I would like to make some suggestions. The solution is a two-pronged attack. We must get the cost of housing down, and at the same time we must get incomes sufficiently high in order to meet the need of providing adequate housing. Only a simultaneous attack from both directions will bring satisfactory results.

This bill does nothing for the number one cost in housing today; that is, the cost of money. Interest rates have been high for a number of years, and remain high. As a matter of fact, there is an indication in financial circles that they may even go a bit higher later this year. Already they are well beyond the means of the average person. They constitute the number one excess cost factor in the provision of housing for Canadians. The government, with its orthodox approach to finance and economics, has failed to meet this situation. The government, following the same unsatisfactory lines followed by most of the world at the present time, has been unsuccessful in reducing interest rates.

After attending the first meeting of the committee on finance I am depressed to come to the conclusion that no improvement is in sight. If one reads the annual report of the Bank of Canada, one comes very quickly to the conclusion that at best we are only maintaining the status quo. Not only will the present high rates of unemployment continue, but unfortunately and regrettably in so far as housing is concerned, the high rates of interest will also continue. Indeed, the new governor of the Bank of Canada expressed his concern lest demand pushes costs and, consequently, inflation even higher. Therefore, something new and entirely different is required. Certainly an incomes policy of some sort is required, something along the lines proposed by this party during the debate on the budget. I will come back to that kind of policy in a few minutes.

The number two cost in housing, and probably the most readily controllable in the short term at least is the cost of land. The proposals contained in the bill to cope with the cost of land, I must admit, are an improvement over the previous proposals. However, Mr. Speaker, they are still inadequate and in my opinion are totally unsatisfactory. The present proposals will result in a continuation of the red tape which has plagued the development of land for several decades. The present arrangements for land banking will continue to be inadequate to provide the serviced land necessary at the price and in the time frame required to meet the needs of the Canadian people. I am at a loss to understand why after four years the government still has not introduced the proposal that I recommended to it. On February 14, 1969, I recommended to cabinet the following:

(1) It is proposed to include new provisions in the National Housing Act empowering Central Mortgage and Housing Corporation to make 100 per cent loans to any public body including a municipality, a regional government or Crown corporation for the purpose of acquiring and servicing land required for new urban development. The legislation should provide that such loans shall not exceed the actual cost of such acquisition and servicing and will be for a term not exceeding 15 years. The legislation will require that such loans be secured by debentures or other forms of security acceptable to the corporation at interest rates determined by regulation. It is proposed that under certain circumstances and by agreement that land may be leased particularly to large private users, in which case consideration would be given to extending the proposed 15-year term.

It is proposed that the legislation include a specific requirement that before loans can be made under the proposed section that borrowers, by class or individually, be authorized by provincial legislation to make use of the assistance so that the legislation makes it quite clear that provincial constitutional rights in controlling the actions of municipal bodies are completely respected.

In my opinion, Mr. Speaker, that kind of approach to land banking is the only one that can possibly work. I do not think that anything short of it will ever work satisfactorily. The present method by which most land banking is arranged by partnership with the federal and provincial governments is too slow, too cumbersome, involves too many bureaucrats and too much red tape and in my opinion is unsatisfactory. A much more direct route is required. The direct route should be the federal government making money available at reasonable interest rates upon demand by any of these bodies in order to fulfil the purpose required.

I could never understand why my proposal was not adopted. I know that one of the officials of the Department of Finance asked whether it would not be advisable to reduce the size of the loan to 90 per cent so the municipality would have to borrow 10 per cent elsewhere—"It would make them more honest if they had to borrow from two sources." I could never understand, and still cannot understand the logic of that proposition. To me, it was totally incongruous. I fail to comprehend even today why it was put forward. Still we find that philosophy represented in the bill now before us.

• (2120)

The other problem, of course, was in respect of jurisdiction. There was a feeling that somehow this was interfering with the rights of the provinces. Admittedly, two or three of the provinces expressed their opposition for reasons which, again, I failed to understand completely. I was even suspicious that in one or two cases they were trying to protect the private interests involved in the land business. I felt, and still feel that only a direct means of providing money at low interest rates for the total cost, not only of acquiring the land but also the servicing of it, is the only kind of proposal that will work. This kind of facility is totally within the federal competence. It is the federal aspect of housing which has always been considered constitutional: it is the banking aspect of housing.

As Your Honour knows very well, in many of these areas there are different aspects. There is a federal and provincial aspect. In this case, of course, the development of land is a provincial responsibility. But under our constitution, when the federal government has the responsibility for banking and credit in this country, then the federal aspect is the banking aspect. Consequently, I

cannot understand why this would be in any way an infringement of provincial rights. As a matter of fact, there are many precedents dating back 20, 30 or even more years in this country. So I cannot understand why objection is taken. Even the *Globe and Mail* finds it difficult to get the aspect theory through its corporate head. I do not think it is such a mystery that we should fail to comprehend where the different areas of responsibility lie.

By adopting this direct proposal, the onus is placed on the provinces and municipalities to provide adequate serviced land at reasonable prices. Then the responsibility for getting on with the physical job lies where it belongs, with the provinces and municipalities. At least then the federal government has done its job. One of the things which disturbs me about the present bill is that it reflects a philosophy which has been part of the mentality of Central Mortgage and Housing Corporation for too long; that is, it tries to keep its fingers in every pie, become involved in the minutia and inject its subjective judgments in the details of planning and urban development. If CMHC would get out of these aspects which are none of its business, and if the federal government would make money available at lower interest rates directly to municipalities to buy land and put in these services, then we would be going a long way toward solving the housing problem in this country.

It is obvious that the mere provision of money to buy land is not enough. The big pipe is required. It is totally useless to have thousands of acres of land in a land bank if the essential services for sewer and water are not provided. Consequently, the proposals before us today are useless in so far as meeting this total problem is concerned. To have invested money in accordance with my proposal would have been the best investment the federal government could have made. I would say this is still true. Failure to act during the four years since my original recommendation has cost Canadian home purchasers hundreds of millions of dollars. A very reasonable calculation at the time indicated that no other investment would yield as high a return to the taxpayers of this country as providing money to the municipalities for land and the servicing of that land for Canadian home owners.

The other area of cost, of course, is in the field of construction. These costs are not as great as the costs in respect of land and money, in so far as their flexibility is concerned, but they are still significant. One of the elements is the cost of labour. I think it is worth pointing out again that the rates of wages for construction workers have been rising faster than the average productivity of Canada. I have an example which I think will illustrate this point. In Hamilton, union labourers and union carpenters had the following rates over the last few years. First of all let us take labourers. In 1965 the rate was $2.44 an hour; in 1966 it was $2.65; in 1967 it was $2.86; in 1968 it was $3.20; in 1969 it was $3.95; in 1970 it was $4.52; in 1971 it was $575. and in 1972 it was $6.80. This is an increase of 180 per cent in that period.

Then we have the rates in respect of carpenters. In 1965 the rate was $3.60; in 1966 it was $3.90; in 1967 it was $4.22; in 1968 it was $4.66; in 1969 it was $5.00; in 1970 it was $5.40; in 1971 it was $7.82 and in 1972 it was $8.51. This represents an increase of 135 per cent over the period. This rate of increase is well in excess of the average increase in productivity in Canada and does raise a problem in that it contributes to the escalating cost and the maintenance of housing.

Then there is a personal example which illustrates the dilemma. Two hours work by a plumber, and just a tiny bit of material, entailed a bill of $50. For many Canadians that would represent the major part of the take-home pay for a whole week. It underlines, I believe, the dilemma of a very large proportion of the Canadian public who not only will be unable to acquire satisfactory housing but, if they should be able to acquire it, will be unable to maintain it in a satisfactory way.

The cost of housing obviously is out of line for people with low incomes. This raises the whole problem of maldistribution of income in Canada. I have a table from the returns of the Department of National Revenue which suggests that there are 4,975,000 Canadians with an income of less than $5,000 a year. In other words, over half of the work force of Canada has an income of less than $5,000. For all these people, the problem of providing adequate housing is very grave. In no case would one of these people be able to acquire a new house at existing prices. If some of them already own a house, they will have the difficulty of maintaining it to an adequate standard because of the high cost to which I have already referred. We must increase these low incomes. In my opinion, this is impossible without wage and price controls. In my opinion, it is inevitable that we will have to face this problem. We cannot sweep it under the rug indefinitely.

I have mentioned some of the experience in so far as incomes are concerned. Let me now indicate what will happen if we project some wage rates from now to the year 2000. Recently, in a speech to the Housing and Urban Development Association of Canada I said that the present minimum wage in Prince Edward Island is $1.10 an hour. The present wage of many construction workers is $8.00. If you compound those two rates to the end of the century at 8 per cent annually, by the year 2000 the minimum wage in Prince Edward Island will be $8.80 and the construction worker will be earning $63.91 an hour.

• (2130)

It would be totally impossible for people earning $8, $10 or $12 an hour in the year 2000 to buy or maintain houses built and serviced by people earning $63 or $65 an hour. To refuse to come to grips with this fundamental economic problem is, to my mind, totally irresponsible on the part of the government.

Some hon. Members: Hear, hear!

Mr. Hellyer: Once a wage and price freeze has been put into effect and the co-operation of the provinces, of labour and of business has been sought and obtained, the mandatory guidelines which would be applied would make it possible to bring up wages from the bottom at an accelerated pace. In no other way will it be possible for people at the bottom end of the scale to survive.

The present approach of the government to housing is to subsidize it. I find, as I go into my riding on weekends,

that more and more people come to me for assistance in obtaining subsidized housing. Some of them are paying 30 per cent of their total income for housing, some 40 per cent, some 50 per cent. In some cases it has gone as high as 60 per cent of their total income for housing, when it should not be more than 25 per cent or something of that order. How can people live under these circumstances? How can they be properly nourished, with present food prices, when they pay half of their total income for housing? The answer is that they cannot. The only escape from this dilemma for them is public housing.

When I inquire further, I find that in at least half of the cases their present accommodation is adequate, physically; there is nothing wrong with it. It is lack of income which is the real problem. If their incomes were raised to the point where they could cope, they would be more than content. Of course, the approach of the socialists is to build public housing for everyone. They love public housing. It means more bureaucrats, more big brotherism, more looking over people's shoulders, more interference in people's lives.

Some hon. Members: Hear, hear!

Mr. Hellyer: They want to tell people what to do, what they can do at weekends, who they can sleep with. Boy, what a system that is, Mr. Speaker! The task force on housing and urban development found that public housing is the most expensive solution of all solutions to the housing dilemma in Canada. Not only is it more expensive, which means that for any given amount of money it provides shelter for the least number of people, but it is the least acceptable socially.

Some hon. Members: Hear, hear!

Mr. Gilbert: Not so.

Mr. Hellyer: I do not think the hon. member should open his mouth on this at all, because if the CLC were to allow wage and price controls in this country so that his party would vote for them then we could put them into effect.

Some hon. Members: Hear, hear!

Mr. Hellyer: Instead of that, more and more people find themselves disadvantaged in so far as their income is concerned. The strong get more and more and the weak get less and less. The situation is getting worse all the time. Then people like you, my socialist friend—I say this through you, Mr. Speaker—insist on building more and more public housing in order to put people in them so that they can hire more of their friends to run the situation.

People who think otherwise believe that there is another solution, that is, to get those incomes up and to get the cost of housing down to the point where Canadians can choose for themselves where they live. The object of the policy of this party is to get the cost of housing down and to get lower incomes up to the point where Canadians can choose for themselves where they live and how they live. We think that the average Canadian citizen should be able to decide where he wants to live.

Mr. Rondeau: That is Social Credit.

[Mr. Hellyer.]

Mr. Hellyer: A lot of credit is required, my friend, believe me. We think that the Canadian people should be given the maximum range of choice so that the individual, not some bureaucrat or some politician, can say where he wants to live, in a high-rise or in a low-rise building, whether he wants to live in the suburbs or downtown or whether he wants to rent or to buy. This is what liberal democracy is all about, Mr. Speaker; it is to give individuals a choice to make up their minds.

Some hon. Members: Hear, hear!

Mr. Hellyer: I note with appreciation the applause from the Liberal benches. I am glad to know there are still some free enterprisers on that side of the House, or at least one.

Some hon. Members: Oh, oh!

An hon. Member: You've had it now, Joe.

Mr. Hellyer: Individual requirements may change during the course of a person's career. Some people might want to start out in an apartment when they get married, move into a larger apartment subsequently when children are born, move into a townhouse or a family house a little later on, if they have income, move to a single family house, and perhaps later on when the children are grown and at university and only come home for Christmas and Easter looking for money, they may want to move back into an apartment again. But at least people are best qualified to judge for themselves what kind of accommodation is in their interest at any particular time in their careers. It is our responsibility, as politicians and as public servants, to try to mould the climate in such a way that individuals can make up their own minds and so they will have the maximum range of choice available to them within their economic limitation.

Finally, Mr. Speaker, Canada can do it. We have the resources. No new technology is required. All we need is the will and a little more dynamic action on the part of the Canadian government.

An hon. Member: You will never get it out of that government.

Mr. Hellyer: I am afraid not. I am afraid we will have to change the government in order to get the action required.

Some hon. Members: Hear, hear!

Mr. Hellyer: We will have to change the government. We are going to put into effect a policy like the one enunciated by my friend, the hon. member for Don Valley (Mr. Gillies), and others during the debate on the budget. We must stop this rat race. We must stop the wage-price spiral. We must stop the strong from exploiting the weak, and we must give a decent shake to all Canadians so they can look after their own food, clothing and shelter and make up their own minds as to where they want to live and how they want to live. That is the purpose of our policy, Mr. Speaker.

I hope that the socialists to my left, who are so full of big words and so full of indecision when it comes to backing up those words with action, will when the oppor-

tunity occurs in the House follow their good intentions with their votes and put into office a government which will solve the housing problem of Canada.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Roch La Salle (Joliette): I shall take the opportunity, Mr. Speaker, to make some comments on this bill which to my mind is definitely one of the most important for the future of each Canadian, particularly those who want to own a house.

I should like to say at the outset of my remarks that the bill in itself is not necessarily bad; on the contrary, I think it deals with certain very particular and important points. Now I have serious doubts as to whether this bill will fall short of its objective. Several comments have been made on the shortcomings in this bill and certain rather interesting suggestions and proposals have also been made, I think.

We try to make it easier to get a loan and particular attention is given to co-operative organizations.

Such changes have been required for a long time.

We are however aware of the difficulties met by the individual wishing to become an owner, given the economic conditions which are extremely hard in this country.

I shall limit myself to a few comments so that others may have time to express their views but just the same I would like to recall certain matters to the mind of the minister responsible since he is in the House and paying great attention to all the comments and suggestions.

I would like to go one step beyond criticism and invite the minister to consider one specific aspect. I said two years ago, I think, that it was important that the minister responsible for housing meet as soon as possible with all those directly or indirectly connected with the construction industry. At that time things were not going too well in construction. Those difficulties were due in part to strikes. The climate seems to have smoothed off now. The fact still remains that construction costs have increased considerably.

The recommendation I made two years ago is more pressing than ever. I would like to take this opportunity to suggest to the hon. minister that he should meet with labour unions, construction material manufacturers and, finally, with representatives of the whole sector related to construction.

If we are to really give a chance to the man who wants to buy a house it is absolutely essential not to facilitate access to loans with the interest rates we now have. I think this is just prolonging the agony of the individual as was done in the last five years in other fields. It is important to reduce the cost of houses to allow the individual to become a home-owner. The social impact of it is this: the owner becomes more socially active due to the fact that he is more interested in his own municipality and in his country.

Absolutely no mention is made of the repeal of the sales tax of 11 per cent on building materials and yet heaven knows if different parties have asked for it. I for one believe that that would have been a truly positive measure to reduce the cost of houses and made it easier for the individual to acquire ownership.

As I said before it is not with easier loans at present interest rates that we are going to reach that goal and allow those people who wish and are capable of doing so to become home owners. I think the emphasis should be put on reducing the cost of houses. The abolition of the sales tax on building materials would be truly advantageous.

Then the minister would have to have obtain sufficient funds to meet any possible demands. We know perfectly well that a great many applications would reach him.

A meeting should be held with the union representatives and the manufacturers of building materials. Since the minister has shown such interest for the objectives that all members pursue in this House concerning housing, he could in return impose certain requirements. They could discuss with the unions a suspension of the right to strike for perhaps five years. Imagine a five year period during which credits would be almost unlimited; imagine also the abolition of the sales tax on building materials. This would call for the suspension of the right to strike and a freeze on wages and on the price of building materials so that at last the future homeowner might benefit directly from this aid which could be granted by Parliament.

• (2140)

We perfectly know that if no condition were set, the contractor or the building material industry could often take advantage of this reduction which normally should benefit the owner.

We had better consider seriously such a proposal so that the citizen who wants to build a home can benefit from the reduction. The government has been accused of simply having extended the loan repayment period and it is always the same thing. As the hon. member for Shefford (Mr. Rondeau) indicated yesterday, on a loan of $30,000 at an interest rate of 9 per cent, for a period of 25 years, the repayment comes to $74,524. As far as I am concerned, with the legislation as it is now there is no way out.

I should also like that particular consideration be given to those who want to build a house and who, because of the location of their lot cannot benefit from public utilities. In a constituency like mine for instance some heads of families would gladly give a lot to their children but for lack of municipal services, these young couples are not eligible to CMHC loans. I think there would be an advantage in letting these people get loans from CMHC even though the land there is not serviced.

At the moment, the regulation governing that category of people is an encouragement to the municipality to crowd population into the large centres, leading to a centralization that we have paid a high enough price for so far in certain other fields. And a young couple who could get a lot free from their parents would be at an advantage from the start.

I therefore think the minister could increase the effectiveness of his bill by taking this factor into account. He would only have to meet with the builders, set out the

standards, and supply the necessary funds. Some will object: Where are these funds to come from? Yet money is always found to free Canada of a serious problem, so I should think that this bill, which aims to remedy a nation-wide problem, ought to be planned in such a way as to be effective.

The present bill is not bad in itself, and I shall support it, although it is totally inadequate to achieve the purpose that it seems to have set itself. It is all right for some members to say that it is a big step forward towards helping the future house-owner, but I think nevertheless that we could have done a lot more to rectify so alarming a situation.

I do not say the government has not tried to rectify the situation. The government has made capital investments which nevertheless ended in failure. You need only remember the problems of unemployment and inflation which were dealt with in all their aspects, with totally inadequate results. Much money was spent, but because it was used improperly, the result was failures.

Now the House has before it a bill on housing, but in order to make it more effective hon. members should join together and force the minister to understand my few suggestions, as well as those made by other hon. members about the 11 percent tax on building materials, and the repeal of this tax would be a great improvement over the present situation.

Of course, the government will lose some revenue; that is always the question we are asked. The government will lose revenue but on the other hand, if housing is doing well, building materials will sell more. That will stimulate the building materials industry. People will work, pay income tax, which is not the case today with the unduly high number of unemployed.

I think that one should not be satisfied with asking where money will be found if the 11 percent sales tax on building materials is removed. It is nevertheless possible to implement a policy which might be profitable to the government and do justice to those who are entitled to become homeowners.

Once again, I will restrict myself to those remarks. I hope they will be taken into consideration by the responsible minister. I hope they will be endorsed by other hon. members. As for me, I will not limit myself to condemning a measure that may be too weak; I say the basic principles of this bill are not bad at all.

Still, I maintain that it is not good enough to achieve the purpose of the government. To do so, we must strike at the root of the evil. The building sector must be contacted as soon as possible. The minister must hold an emergency meeting with his officials, that jointly, with the unions and manufacturers of building materials, all might sit at one table and set up concrete standards and put forward a five-year program to enable building industry to go all out and build at much lower production costs.

Thus, the government would have truly achieved something for those who have the right to own a home in this country. In addition, this would be a truly interesting investment for all Canadians.

[Mr. La Salle.]

• (2150)

[*English*]

Mr. Basford: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Laniel): Order, please. The Minister of State for Urban Affairs (Mr. Basford) on a point of order.

Mr. Basford: Mr. Speaker, I think that through the usual channels there is agreement that there are only two members left to speak on this bill, the hon. member for Dauphin (Mr. Ritchie) and the hon. member for Compton (Mr. Latulippe). If there could be an agreement that they speak without Your Honour seeing the clock, we could perhaps complete discussion of this stage of Bill C-133. I would suggest that it be part of the order that I forgo the very excellent speech that my staff prepared for me.

Mr. Baldwin: Mr. Speaker, that is the only thing that gives me pause, my reluctance to deprive the House of hearing the minister. But I think we could put up with that and wait until the minister gets into the other place, where he would probably be more at home in any event and could make a speech there. We agree that Your Honour not see the clock, but we hope the two speakers to follow will keep their eyes on the clock.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on the understanding that there are only two more speakers, we are prepared to agree that Your Honour not see the clock. We have looked forward to hearing the minister's speech—

Mr. Alexander: I don't know about that.

Mr. Knowles (Winnipeg North Centre): —but perhaps he can give the gist of it in committee. At any rate, Mr. Speaker, we agree.

[*Translation*]

Mr. Laprise: Mr. Speaker, we are agreeable to that.

[*Enalish*]

The Acting Speaker (Mr. Laniel): Order, please. Hon. members have heard the suggestion of the minister. Is there agreement to go beyond ten o'clock and complete second reading discussion of this bill?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It is so ordered. The Chair would also inquire whether this means that hon. members are willing to forgo the "late show," the adjournment proceedings. It is difficult at this time to know how long speakers will take and I want to be fair to hon. members.

Mr. Baldwin: May we let that go, Mr. Speaker, until after this bill is completed and see how long it takes?

The Acting Speaker (Mr. Laniel): Is this agreed?

Some hon. Members: Agreed.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have only three small points to make. I come from an area where on the whole we have been losing population, so that housing has not been a problem nor has serviced land been a problem. Notwithstanding the static population in two or three areas, this bill may be of value.

The first group of people who do not have adequate housing, and who will have little chance of obtaining adequate housing under existing opportunities, are the Métis and the status Indians who are moving from their traditional settlements into the towns and villages of my riding. Traditionally, these people have lived on the reservations with, generally, surrounding Métis and non-status Indian communities. There has been a rapid increase in the numbers of these people, who are finding their traditional areas are not large enough and do not provide them with the opportunities for the increased standard of living which they desire; nor is there any hope that in these areas a better standard will materialize for them.

Nearly all these people have a low level of skill. They have casual work habits and are generally ill-equipped to carry on in a modern urban centre or even at the village level. Many have large families, and a good many are totally or partially on welfare. Home owners, and there are a few sort of professional rental entrepreneurs in these villages and towns, are reluctant to rent in many cases because of fear that damage will occur to the rented property, and sometimes this does occur. Housing for these people is slow to materialize because, even under the best circumstances, rental returns are low. Yet I believe that in the long run the movement of these people from their rural ghettos to areas where there are more job opportunities will be the only way in which they have a better chance of achieving material progress. In this area there certainly will have to be substantial government assistance for this desirable event to occur, even in the short run of a decade or so, before an impact is made on this problem. I look forward to seeing how the legislation will assist villages and towns to cope with this problem.

Mr. Speaker, I would like to say a word or two about the low-rental housing projects that have been carried on in my area under the aegis of the provincial government. It is my understanding that 75 per cent of the funds going into low-rental housing is supplied by the federal government. In the beginning it was largely assumed that local housing committees, consisting of interested citizens, would have a large input into the locations, housing standards, etc. Perhaps some towns have functioned better than others, but certainly some towns are showing severe disillusionment with their role. The general feeling is that the towns are largely bypassed by officialdom from the city of Winnipeg and that the input at the local level is seriously reduced.

The idea of a local housing committee seems to be a good one, if it would function properly. It is obvious that even with highly trained experts and information a particular village or town will make serious mistakes. I have noticed that low-rental housing in my town are not in keeping with other houses in the area in which they are situated, although the houses themselves, as far as I know, are reasonably adequate. I believe that the federal government, having so much financial input in these building projects, should be aware of the disillusionment of the local housing committees and should take steps to rectify the situation.

Mr. Speaker, there is a group of house owners who, so far as I can see from the minister's speech, will not benefit from this bill. I refer to the so-called mobile home owners. There are hundreds of thousands of Canadians who fall into this category and who apparently receive no assistance for housing in the form of loans, etc., available to other Canadians. Yet many of these people are the ones working at unpleasant jobs, living on our frontiers and opening up new parts of our country. There are many who live, of necessity, in small communities for a time. All these people in many ways deserve more facilities for mortgages, loans, etc., than their more permanently situated Canadian friends. After all, the present housing act has a considerable element of subsidy about it. It seems likely that the use of mobile and movable homes in small communities will expand in the future. Certainly, they seem especially logical for use in our northern communities. This bill, seemingly, has done nothing for home owners in this category.

Mr. Speaker, I should like to thank the House for the time allotted to me.

• (2200)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am happy to say a few words on such an important bill. I wanted to say these few words, because this bill is extremely important and deals with one of the prime factors of our economy.

As the hon. member for Trinity (Mr. Hellyer) has said, we are faced with a basic economic problem and we have to solve it. This bill is far from providing the proper solutions we need to deal with the housing problem.

Mr. Speaker, the National Housing Act is pinning people by the throat; citizens see their names used as security by financial institutions. This is where we stand now, Mr. Speaker.

Homeowners are in a position to realize this. Some 25-, 50- or 100-year old buildings are still mortgaged for more than their actual value; they are so heavily mortgaged that their owners can no longer afford to have them repaired. This is our present situation, Mr. Speaker.

I would now like to elaborate on the human aspect of housing and the right of ownership. Man has requirements that have to be met and he requires a certain degree of freedom to be truly the master of his destiny.

Private property, Mr. Speaker, is one of the most vital needs of man. Every citizen should own a home, a garden, furniture, a regular supply of consumer goods, his car, the tools of his trade, etc. It is man's personal property that enables him to settle on a parcel of land which belongs to him and to organize his own activities as well as those of his family. It is through property that he lives in unison with the physical universe.

Mr. Speaker, if life is a journey, man must be able to come to port as often as his activities permit him to do so. That port must be his own.

Today, Mr. Speaker, what should be every citizen's harbour is owned by somebody else, because houses are over-mortgaged. The loans granted for 40 years to allow individuals to have a house, tend to get them into a 40-year debt and are far from making homeowners of them.

It is then, Mr. Speaker, that a citizen stops and "recharges his physical and moral batteries" and plans for tomorrow if he owns his house. Man can only come to fulfilment if he is deep-rooted in a land of his own which he can use as he sees fit. But man must also be deep-rooted in society.

Mr. Speaker, a citizen who owns a piece of land, who owns a small house, is very much interested in the administration of his municipality, his province and his country. But if he does not own anything at all, how could he be interested? On the other hand, there is no problem for the man who works alone, who has a property, a trade and enjoys the result of his work.

Mr. Speaker, if ownership is a good thing and a true need of man, and if furthermore it is a guarantee of freedom and independence, why take it from the individual to transfer it to a state which will abuse it. The answer is to ensure ownership to everyone without however taking anything away from anyone.

This is where the principles of Social Credit can come into effect. But I will not say more on this matter, for I think I have already said enough. Personal interest is and remains the most powerful motive for human activity. As long as it is limited to a small number of individuals, and condemns the great majority of the others to work, without interest, it becomes absurd and perpetuates a society of masters and slaves and not a well structured society of men.

I have much to say on this subject, but as it is late, I will limit myself to those further comments. I should like to say a few words about the measures we could take to give our citizens the means to get at least the necessities, that is a suitable roof, under normal conditions. Now, we cannot do it today because Canadians are too poor. Why are they so poor? Why do they go without houses of their own? It is so because they were dispossessed by this despicable system under which interest rates are too high. And as a solution, they should be reduced and money should be made available to all Canadians because housing is a basic need.

All this, Mr. Speaker, should be financed at administrative cost. That is what we are asking for, what we could do and, in this way, we could give all Canadians what they are entitled to. Taxes and interest rates should be lowered; municipal taxes and property taxes should be deductible for income tax purposes.

Presently the 11 per cent federal sales tax on building material as well as the 8 per cent provincial tax—that turns out to be 19 per cent—are applicable on property at the expense of those who want to build a house.

Mr. Speaker, this is prohibitive and we should fight to death against these odious taxes which boost the cost of houses and prevent citizens from possessing what they are entitled to.

[Mr. Latulippe.]

People are discouraged by the repayment period. It is cruel to require someone to go into debt for 40 years in order to be able to live in his own house with his family.

Anyone wishing to build a house should be able to pay it over ten years at the most; 20 years, 30 years, 40 years is much too long. People get discouraged. Moreover, the cost of houses is too high.

In view of the present state of technology, the government should ask experts to find other means of building houses at a lesser cost and with cheaper building methods, because there is surely something to be done in the building area. Our building methods are old-fashioned. They are too costly and increase the building costs. We should, therefore, find other methods.

I ask the minister to intervene and to try and convince the government to assign researchers exclusively to the field of housing; so that they may find real solutions, adequate building methods which would result in lower building costs; building costs must be reduced by at least 50 per cent.

If we are to find ways of building houses at reasonable prices, something will certainly have to be done, and we know that there is something to be done at this time.

I listed a few sectors in which we could bring about reductions in building costs, promote research in order to find ways of building cheaply, thus enabling all those who wish to become home owners to do so, because if we really want to have strong, determined and honest citizens, they must own something.

If we want to bind our citizens to our country, to have them love this country, we must create the necessary ties. To bring them closer to their country, we must see to it that they own something, so that they may settle on a piece of land belonging to them and say that that small piece of land is their own. They must also be in a position to become more ambitious citizens, the pride of this country.

I still have many things to say, but as it is getting late, I shall be satisfied with these few remarks.

Mr. Roland Godin (Portneuf): Mr. Speaker, I have already had the floor. I am entitled to a question, I believe, since the Standing Orders allow us two 40-minute periods. I only want two minutes of attention.

A few years ago, in order to complete the program of the Central Mortgage and Housing Corporation, the province of Quebec had offered a 3 per cent grant which applied to interest paid to those who borrowed from the corporation. At that time, this 3 per cent premium was all the more valuable as it represented 50 per cent of interests since the interest rate was then 6 per cent. As this premium was based on the wages of new owners, it was paid to a large number of purchasers who could qualify quite easily. However, we find that fewer and fewer new owners can qualify for the 3 per cent premium since the maximum annual earnings allowed to qualify are $7,000. If interest rates have changed, Mr. Speaker, wages paid to workers have also increased.

However studies have been made by various organizations with the co-operation of the caisses populaires, and as these studies have shown that it is impossible—

[*English*]

Mr. Alexander: Mr. Speaker, I rise on a point of order.

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member for Hamilton West on a point of order.

[*English*]

Mr. Alexander: I should just like to bring to the attention of the House that I was under the impression, as I thought all hon. members were, that there was all-party agreement that we would have only two speakers, both of whom have now spoken. It comes as a great surprise to me to hear the member of the Creditiste party now attempting to make a speech. I hope that he and other members of his party, one of whom had agreed to the arrangement, will honour the agreement. I thought the hon. member was just raising a question, and I think all hon. members would have allowed a question, but now we are getting into another speech. Perhaps the hon. member was not here, but now he has been advised of the agreement that there would be no more speakers, I hope he will understand.

The Acting Speaker (Mr. Boulanger): On the point of order, I agree that there was such an arrangement.

[*Translation*]

As I understand it, there was an agreement to recognize two members from each party. If the House agrees, as the hon. member asked to speak only for a few minutes, perhaps he should be allowed to keep on. Does the House agree?

Some hon. Members: Agreed.

Mr. Godin: Mr. Speaker, I had understood that there was an agreement to conclude the debate tonight, but I was not aware of the limit set as to the number of speakers.

As those studies showed that it was impossible to consider home ownership unless a person earned $10,000 a year, one must conclude that the $7,000 maximum required by the government of Quebec for the qualification of new owners has been exceeded. Therefore my question:

Did the hon. minister responsible for urban affairs meet the provincial authorities concerned and directly involved in the program? If so, what will be the results? Can we hope for the early implementation of more flexible provincial regulations, especially by the province of Quebec, to encourage the people who have enough courage to consider buying a home in spite of their $8,000 or $9,000 annual income?

[*English*]

Motion (Mr. Basford) agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Basford: Mr. Speaker, I rise on a question of privilege. Because of my agreement not to make a speech at this point, hon. members have missed one of the greater parliamentary orations.

Some hon. Members: Hear, hear!

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

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

OIL—WRECK OF THE "IRVING WHALE"—POSSIBLE SOURCE OF POLLUTION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I am sorry to keep this House late; on the other hand, it is not my fault that we are running over our time. On February 28, in answer to a written question regarding the raising of the *Irving Whale*, the Minister of Transport (Mr. Marchand) advised me that the data which he had on hand favoured the leaving of the barge at the bottom of the Gulf of St. Lawrence. The minister also indicated that tenders had been received for the raising of the ship or relieving it of its cargo. The estimates ranged from $1,770,000 to $4,400,000. The minister indicated that the tenders were much higher than estimated. He also went on to point out that there was no guarantee that there would be no risk of pollution as a result of the methods of salvage submitted.

I found the answer disappointing, disheartening and disturbing, Mr. Speaker. We are in this country becoming belatedly more and more conscious of the grave danger to our ecology from massive pollution. We hear daily about the very legitimate anxieties of the people of British Columbia as consideration is given to the transfer of great quantities of oil from Alaska down to other parts of the United States. I share the anxiety of these people and I am frustrated by the government's lack of leadership in this regard. But pollution in any part of the country is important, and the threat that the *Irving Whale* holds for the people of Prince Edward Island and the other Atlantic provinces is real; it is serious; it is important. I cannot rest content until either the ship or its cargo is taken out of there and our beaches, our fisheries, our tourist industry, our wildfowl are relieved of this constant hazard of the escaping of oil from the hull of that ship.

One thing in the minister's answer which shocked me was the revelation that since 1971 the only kind of inspection made of the hull of the *Irving Whale* was on the water surface or from aircraft. In other words, no divers have been sent down to examine the state of the ship, to examine the dangers of seepage of serious quantities of oil. Surely a most careful check should be made on the hull of the craft.

The minister in his written reply indicated that there was no guarantee that the tenderers would be able to remove the ship or its cargo without the danger of pollution, and of course I accept this statement. But I also heard from the minister a few days later, in reply to an oral question, that there was in fact no guarantee against pollution if the ship were left where it is. I cannot believe that in our stage of advanced technology it is impossible for the government of Canada, with all its expertise, to handle the job of getting the cargo out of the *Irving Whale*. If another land can place men on the moon; if our modern science can place instruments precisely on planets, surely to heaven the raising of this ship safely is not

beyond our technical competence and our scientific knowledge. I believe the ship can be raised.

• (2220)

I believe there is a good deal of importance attached to the second portion of the minister's reply, namely, the cost. I regret that the cost is so high that it could go up to $4 million. I cannot tell whether these are realistic costs, but I would have to say to the minister and his estimable parliamentary secretary that they must think also of the enormous cost which Prince Edward Island and the Atlantic community would have to pay if there should be, as a result of the ship being left there, an ecolo-catastrophe.

I think of what it would do to our fishing industry, our tourist industry and to the general well-being of our people. I say that an amount of $4 million is not too high a price to pay. I strongly urge the minister to renew his efforts to upgrade his priorities and to call upon the very best minds, the best scientists, the best technicians and to spend money if necessary to the end that this threat which has been hanging over us for so long, since 1970, will be removed.

I cannot rest content while the *Irving Whale* is sitting at the bottom of the Gulf of St. Lawrence. We know what happens to ships' hulks. I understand that the Norwegians are raising the great battleship *Von Tirpitz* because they are afraid of pollution. We live in an age when it is now considered technically feasible to go down to get the *Titanic*. That would be a "Titanic" undertaking. Surely the task is not too great so far as the Gulf of St. Lawrence is concerned. I can tell the minister he need not be sensitive about the cost. Surely no member of the House of Commons or no thoughtful Canadian could begrudge the expenditure of some millions of dollars if it protected the environment of my province and the neighbouring provinces. We talk about being environment conscious. I say that the *Irving Whale* is a good case in point where we can prove our sincerity in this field. I urge and I plead, I persuade, I enjoin, I implore the minister to move on the matter to move the *Irving Whale*, and do it safely and just as soon as humanly and technically possible.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I wish to assure the hon. member for Hillsborough (Mr. Macquarrie) that I shall convey to the minister the message he has given us tonight in such stirring fashion. I think, after the minister reads this particular speech which has been made on behalf of the hon. member's constituents and the people in the area concerned, he may respond in a manner satisfactory to the hon. member.

However, in respect of the answer to the question asked by the hon. member on March 5, I should like to say that there is no guarantee that marine pollution will not take place if the *Irving Whale* is left where it is. Numerous inquiries in areas of expertise on oil biodegradation and steel corrosion in the environment indicate that where the *Irving Whale* is, there is little information in respect of the oil which exists. However, it is suggested that the vessel would be safer from a pollution point of view if it were left where it is. It has also been suggested by salvage experts that there is a better than 50 per cent chance, unless conditions are perfect, that the vessel could break up during the removal process, causing a severe pollution problem.

REGIONAL ECONOMIC EXPANSION—ACTIVITIES OF PROFESSIONAL DREE COUNSELLORS—GOVERNMENT ACTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, there are many aspects of the Department of Regional Economic Expansion that are of great importance and that concern me a great deal. One of the issues which came to my attention some time ago, and which I brought to the attention of the minister, concerns the practice of professional DREE consultants which appears to me at least as objectionable. I brought this to the minister's attention on February 2. In fact, I asked him two questions that day, one having to do with the apparent confusion, the allegations by a company in Montreal called Alarme de Sureté Inc., that DREE procedures involved them in unnecessary expense and ultimately involved them in litigation.

Subsequent to that I asked the minister about this business of DREE consultants. He replied that he did not see anything different between engaging a consultant of this type and engaging a member of the legal profession to carry on some type of counselling service. I say to the minister and to the House that there is a great difference between acting as a legal counsellor and acting as a consultant if, when acting as a consultant one is acting as a lobbyist or, to put it unkindly, as a fixer. I do not know the extent of what may be the activities of these DREE consultants, but it is a very intriguing subject and it seems to be spreading to other departments.

I see that my colleague from the NDP, the hon. member for Oshawa-Whitby, (Mr. Broadbent), today dealt with the same sort of thing when he asked questions concerning the activities of the former minister of industry, trade and commerce, Mr. Jean-Luc Pepin. In today's Montreal *Gazette* there are some interesting quotes and references, one of which is that Mr. Pepin does not deny he is taking advantage of his past experience as minister. Part of his staff are former government officials but they would have left the public service anyway, said Mr. Pepin. I do not wish to cast aspersions on the character of this former minister. He was one of my favourite ministers in the House—

Mr. Prud'homme: And mine also.

Mr. MacKay: —and I am sure that he intends nothing wrong in what he is doing, any more perhaps than these consultants intend anything wrong. It is not generally known, but for the record let me say that there are several of these firms functioning in a so-called advisory capacity, mostly in urban centres. There is a prominent firm called Major and Martin which operates from 1440 St. Catherine Street West in Montreal. Here in Ottawa there is a prominent firm called Cam Ure which operates from 2827 Riverside Drive. There is another, a former employee of the Prince Edward Island government, who acts as a DREE consultant.

The need to know your way around government red tape in order to ensure a favourable and quick grant no doubt has prompted these men to leave the government service and set up counselling firms, and also the apparent constipation of DREE at the decision-making level provides a continuous supply of frustrated clients for these people.

This, to my mind, is a fairly serious situation. Surely DREE, with its many hundreds of employees, has people who are qualified and whose duty it should be to take frustrated people in tow and to help them in their search for legitimate assistance from the department and so avoid the trouble and expense that these taxpayers, these would-be industrialists or would be entrepreneurs are encountering.

To the best of my information, the cost to people who are so frustrated that they must resort to consultants is considerable. According to my information, a retainer is charged and perhaps as much as 10 per cent of the grant obtained, or some other fixed charge is made to cover operating expenses and possible loss if they are not successful in getting a grant. Again, I suggest that probably 20 per cent of the total number of applicants are using counselling services. I suggest that is a reasonable estimate and it amounts to a considerable number of people. I would like to know the percentage of applications accepted of those people who are using these consultants, as opposed to those who are "going it" on their own.

Another thing that I do not like to see is a situation which I know sounds ridiculous. The next thing we know is that these firms are continuing to prosper. They apparently are over their frustration and have solved the problems of applicants, and the next thing we will find is that they have applied for a DREE grant themselves. This is a sort of *reductio ad absurdum*, but the way things have been going it would not surprise me.

• (2230)

I would hope that when the committee meets in the near future, the minister or some of his officials will be prepared to bring an estimate before us of just how widespread this practice has become. I hope they will give us the necessary information and, hopefully, will be able to assure us that the administrative processes have been improved to the point where this kind of nefarious service for applicants is no longer necessary and, according to their best information, has been stamped out as far as possible.

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, in replying to the questions raised by the hon. member for Central Nova (Mr. MacKay), I would like to say that I appreciate the opportunity of being able to place on the record facts relating to counselling or guidance which is made available to companies applying for federal funds under the Regional Development Incentives Act.

The minister in his reply on February 2 made it very clear to the hon. member that such assistance is available from his officials and, if any changes are required to make it more effective, that he is willing to make these changes. It is important to note, however, that while the basic responsibility for preparing information required for the analysis of a proposal must rest with the applicant, companies applying for DREE incentive grants have access to various departmental officials who are willing to explain the program at length. Industrial development officers working in Ottawa and the regions are prepared to counsel prospective applicants to make them aware of the various details and benefits under RDIA.

The hon. member also referred to—I quote from his question of February 2—"professional DREE counsellors who are making substantial profits acting on behalf of DREE applicants." Mr. Speaker, I am sure this is a reference to professional consultants in the private sector. These professional consultants do exist and some companies do engage their services to help them in preparing materials and documents. The department is aware that several consultants were formerly employed by DREE, but there is certainly no evidence of any breach of the Official Secrets Act respecting the use of confidential information, or any preferred treatment.

In conclusion, may I say I was glad that the hon. member did not want to cast any shadow on one of our ex-colleagues who in the past held the unanimous respect of this House. I refer to the Hon. Jean-Luc Pepin. If the hon. member had made any comments that reflected on that hon. gentleman, whom we all know, I would have devoted my entire three minutes to answering the insinuations that, thank God, he did not make.

Even though what I am about to say may not be part of the answer to his question, I am sure the hon. gentleman will be interested in it, Mr. Speaker. I was just reading a few notes on this subject, and may I say that if we consider it wise, not only for DREE but as a general principle for all other departments, for an officer who will be evaluating a proposal not to be too closely involved in its preparation, I think this could be the subject of future useful discussion and debate.

MANPOWER—LOCAL INITIATIVES PROGRAM—INQUIRY RESPECTING GRANT TO "CENTRE EPIC", MONTREAL

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, because of the lateness of the hour I will try to be as brief as possible and to speak as quickly as I can. Yesterday I put a question to the Minister of Manpower and Immigration (Mr. Andras) about the granting of $128,000 under the Local Initiatives Program to a group of Montreal businessmen, allegedly to start a health centre called Centre Epic, to fight the unhealthy effects of overdrinking, oversmoking and underexercising. I asked the minister if he would consider rescinding that grant, and whether he would list all applications that were turned down in Montreal, because this group of wealthy businessmen had received this grant of $128,000.

The question is whether a government program such as LIP should have funds going out to wealthy business groups, or whether they should be earmarked for those disadvantaged people in society, community groups or other people who need them, need jobs and need to better themselves in our society. I noted that the Minister of National Health and Welfare (Mr. Lalonde) said in Montreal that grants for local initiatives programs are for the

advantaged as well as the disadvantaged groups in our society, according to an article in one of the newspapers.

This group, Centre Epic-"étude pilote en collaboration avec l'Institut de Cardiologie"—in Montreal received a $128,000 grant. Mr. Speaker, the group was set up in 1968. I notice that on the board of directors we have such distinguished businessmen as Philipe de Gaspé Beaubien, president of Telemedia and Sport Participation Canada; Jean Boulanger, general manager of Banque Canadienne Nationale; Robert Dulude, lawyer and secretary of *Montreal-Matin*; Pierre Shooner, general manager of the Montreal Chambre de Commerce; and Maurice Bigras, assistant general manager of the Provincial Bank of Canada.

I also understand that about 170 members of this centre have donated $1,000 apiece to get it going. The facilities are open to members only, and the membership fee for the health club is $150 a year. The facilities include a swimming pool, sauna, two gymnasiums, physiotherapy room, track, and equipment room which are at the disposal of the members.

Mr. Speaker, I understand that the Minister of Manpower and Immigration said this centre would benefit more than just the members; it would benefit 10,000 or 15,000 people in the Montreal area. I understand that the yearly dues are $150. It will provide assistance, through health evaluation courses, for health evaluation reports. Again I go to the article in the Montreal *Gazette*. I find there that use of the health centre facilities will be restricted to dues-paying members, although health evaluations made with federal studies and computers will be available to any Montrealer referred to the centre by a medical doctor. They are not saying they can use the facilities; they are saying they have access to health evaluation reports. I wonder how much health that will bring to many ordinary citizens of Montreal.

Because of the lateness of the hour I would ask the parliamentary secretary to reply to my question, particularly on the point of whether we should be disbursing revenue for a program like this to a group in the city of Montreal, or anywhere, that is made up of business people who are millionaires or presidents of companies.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, what the LIP criteria require is that persons employed on LIP projects be unemployed and seeking work prior to their being hired. Consequently, the organization, individual or municipality managing a project may be affluent, which is often the case in many large and reputable charitable organizations. Those who are employed on this project and creating the centre are people who were previously unemployed.

Centre Epic, which is derived from the French term for the Heart Institute Pilot Study, has received provincial concurrence and support of members of the Institute of Cardiology in Montreal. It was assessed and approved as meeting all the criteria of LIP programs, and will create 1,095 man-weeks of employment for those unemployed in construction trades. It will also provide a centre for preventive medicine dealing specifically with cardiac problems in collaboration with the Montreal Institute of Cardiology.

• (2240)

It will provide for recreational and medical research facilities in co-operation with the Montreal Institute of Cardiology and is going to be operated, as I understand it, as a non-profit foundation for the benefit of many Montrealers. Actually, the facilities of the club, which has some 200 members, are being built on a scale to accommodate 4,000 persons. In sum, the program aims both at the creation of jobs and at community benefit, and we think that on both these scores it has rightly been given a LIP grant.

Mr. Speaker: The House will no doubt be disappointed to learn that the motion to adjourn is deemed to have been adopted. Accordingly, this House now stands adjourned until eleven o'clock tomorrow morning.

Motion agreed to and the House adjourned at 10.42 p.m.

HOUSE OF COMMONS

Friday, March 23, 1973

The House met at 11 a.m.

ROUTINE PROCEEDINGS

ENVIRONMENTAL AFFAIRS

TABLING OF PROGRESS REPORT ON GREAT LAKES SOIL EROSION STUDIES

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I would like to table a copy of a progress report on the Great Lakes soil erosion studies being carried out by the staff of my department at the Canada Centre for Inland Waters.

ORAL QUESTION PERIOD

TRADE

CRITICISM OF DREE PROGRAM BY UNITED STATES—CANADIAN REPRESENTATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister regarding the criticism of DREE programs emanating from official United States circles. I should like to ask the Prime Minister who in the government has been responsible for explaining to the United States authorities that the DREE program is simply a legitimate Canadian measure to develop slow-growth areas and is not designed to attract industry to Canada but rather to attract industry to particular parts of Canada and therefore does not conflict with legitimate interests of the United States or of any other country? Who has been in charge of presenting this case on behalf of the government?

Right Hon. P. E. Trudeau (Prime Minister): This very argument and others have been put to the United States administration by the Secretary of State for External Affairs, by the Minister of Industry, Trade and Commerce, by the Minister of Regional Economic Expansion and by myself. They are very valid arguments which we have tried to explain to the United States authorities in these ways and equally through our embassy in Washington.

Mr. Stanfield: In view of the fact this criticism seems to have grown more acute following the Michelin decision, what has been done in recent times in addition to the Minister of Industry, Trade and Commerce presenting some sort of submission to the United States with regard to Michelin? What procedure has the government followed in an orderly way to get our case across to the United States authorities?

Mr. Trudeau: Mr. Speaker, the Leader of the Opposition asks, what has been done in addition to what the Minister of Industry, Trade and Commerce has done in respect of the particular case of Michelin. Surely this is the most important type of submission that could be made.

Mr. Stanfield: I should like to ask the Prime Minister whether he believes his government has discharged its responsibility to the Canadian people with regard to the DREE program and with regard to the whole fight against regional disparity simply by leaving it to the Minister of Industry, Trade and Commerce, fine gentleman that he is, to make that kind of submission with regard to Michelin? Does the Prime Minister really feel that his government is discharging its responsibility, and what does he propose to do?

Mr. Speaker: Order, please. I do not think that a question asked in those terms is in order.

Mr. Stanfield: In view of the apparent lack of success of anything done to date, I should like to ask the Prime Minister what he proposes to do to convince the United States authorities of the legitimacy of our position in Canada with regard to the DREE program?

Mr. Trudeau: Mr. Speaker, I would not concede what the pessimistic view of the Leader of the Opposition appears to be about the lack of success. We believe our arguments are getting through to the Americans. I must say that the process would not have been as long or as difficult if the opposition parties during the election had supported the DREE program rather than attacked it.

Mr. Speaker: Order, please.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to ask the minister in charge of DREE this question. In view of the various economic irritants that affect this realm of our economic activity—Michelin, DISC and so on—is he going to show leadership in initiating a comprehensive Canadian position to put before the leaders of the United States to uphold Canadian interests vigorously and, if so, when does he intend to do this?

• (1110)

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, as the Prime Minister and the Minister of Industry, Trade and Commerce have indicated, the so-called irritants to which the hon. member has referred cut across several different departments and there is at the moment a concerted effort on the part of

the government, of which DREE is a very important part, to devise precisely the kind of over-all representation to which he has referred. I might point out to the hon. member and to the House that in so far as the Department of Regional Economic Expansion is concerned there has only been a single case in which any kind of action has been taken or on which we have had any representations at all from the United States, and in that particular case we have taken the various steps that are laid down in the international agreement relating to GATT. Of course, there are many other countries which are as concerned as Canada with regard to getting a clarification of this because virtually every country now has some form of regional economic expansion. It is not simply a bilateral arrangement with regard to Canada and the United States.

Mr. MacKay: Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. On the basis of his position and experience and keeping in mind that there have been other measures taken against Canadian pulp companies such as anti-dumping duties in the not too distant past, does the minister feel that the special relationship between Canada and the United States which has been so noticeable in the past still exists and, if so, when was the last time he spoke directly to his United States counterparts?

Mr. Speaker: Order, please. A question asked in those terms is not in order. The hon. member asks for the opinion of the minister, whether the minister believes, feels or thinks something. That is seeking an opinion and in those terms the question is not in order. The hon. member might like to rephrase the question.

Mr. MacKay: Yes, Mr. Speaker, I will rephrase it briefly. When was the last time the minister had occasion to speak directly with his United States counterpart on matters of mutual interest?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, as I have said in the past, I have had conversations with senior White House officials.

Mr. Hees: You mean the White House janitor.

Mr. Gillespie: I have been in communication with the Secretary of Commerce, and I would hope in the not too distant future to have an opportunity of discussing some of these questions and related multilateral questions with the Secretary of the Treasury.

Mr. Hees: You have not answered the question at all.

Mr. MacKay: On a point of order—

Mr. Speaker: The Chair will hear the hon. member for Central Nova on a point of order, after which I will recognize the hon. member for Skeena to try to complete the first round of questioning and then return to hon. members who may have supplementary questions.

Mr. MacKay: With respect, may I say that I rephrased the question as simply as I could and I suggest the minister has not answered it. I asked him when he last saw his United States counterpart. Surely he must remember the last time he spoke to such an important official.

[Mr. Jamieson.]

Mr. Speaker: That is not a point of order.

* * *

ENERGY

OIL AND GAS REGULATIONS APPLICABLE IN NORTHERN CANADA—REMARKS OF PROFESSOR THOMPSON—GOVERNMENT POLICY

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister which I would have directed to the Minister of Indian Affairs and Northern Development had he been here. Have the remarks of a Professor Thompson at the Arctic Resources Conference being held here in Ottawa regarding oil and gas regulations applicable in the northern parts of Canada been drawn to his attention, namely, that the program of issuing leases and permits under those regulations constitutes a resource give-away unparalleled in any country in modern times? Would the Prime Minister like to enunciate any government policy with respect to those matters?

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to take this question as notice. I know there has been a great deal of discussion on this topic by academics and others, and as soon as the minister comes back I am sure he will be able to give the hon. member a complete answer.

Mr. Howard: Mr. Speaker, I would have thought that on a matter of this importance it would not be simply a question of taking notice but that either the minister would have been here or somebody would have been designated to respond for him in a direct way rather than postponing the question. Perhaps the Minister of Energy, Mines and Resources is in a position to do so.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should indicate that my responsibility relates to the offshore on Canada's various coasts rather than to the northwest, but the same regulations apply.

Mr. Lewis: The same criticism was made.

Mr. Macdonald (Rosedale): Yes, that is quite right. At least the hon. member is right in that.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): Mr. Speaker, it was just a year and two days ago that I indicated that there would be no further permits issued either north of 60 or in the offshore areas.

In the interval, and in particular with regard to the offshore, we have entered into negotiations with the five eastern provinces looking toward a joint federal-provincial system of regulating and developing the oil and gas possibilities on the continental shelf and other offshore areas. We have made it clear to the licence applicants, as,

indeed, to the provincial governments, that no further permits would be issued until the legal regime there is clarified. I would just confirm that this is the kind of question, from the standpoint of my responsibilities and I am sure those of my colleague, that we would be happy to discuss in committee.

Mr. Howard: Mr. Speaker, in effect that is the supplementary question I wanted to follow up with, to ask whether any drafts of the regulations would be submitted to an appropriate parliamentary committee so that the development of any changes thereto could take place in full public view.

Mr. Macdonald (Rosedale): Mr. Speaker, because of the division of responsibilities I would like to discuss the best forum in which to deal with this with my colleague. I think it would be useful to discuss the same responsibilities in a single committee rather than in two.

OFFSHORE LEASE REGULATIONS—REQUEST FOR SPEEDING UP OF CONSULTATIONS WITH PROVINCES AND STATEMENT ON GOVERNMENT POSITION

Mr. David Orlikow (Winnipeg North): I have a supplementary question, Mr. Speaker. In view of the statement made yesterday by the minister of mines, energy and resources of the province of Newfoundland, in which he said that the regulations for offshore leases are a scandal, will the minister speed up the consultations he says he is having with the provinces so that a policy to meet the needs of the Canadian people for the 70's will be developed as soon as possible?

Mr. Macdonald (Rosedale): Mr. Speaker, I am glad that the Newfoundland minister has made up his mind on that question. I hope he will persuade his colleagues to make up their minds on the rest of the outstanding questions. We are quite pleased with the discussions to date, and we hope that the province of Newfoundland will reach an early decision on what it would like to do with regard to the offshore.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Winnipeg North on a supplementary and then the hon. member for Vancouver South, but an attempt is going to be made by the Chair to complete the first round of questioning and then move to supplementaries that hon. members may have on the first and second questions. For the moment the Chair recognizes the hon. member for Winnipeg North.

Mr. Orlikow: Would the minister consider making a statement in the House in the very near future, indicating the subjects that are being discussed with the provincial governments concerned, and also in general the principles that the federal government hopes to apply in regard to this very important question?

Mr. Macdonald (Rosedale): Mr. Speaker, I would be glad to consider that.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my supplementary is directed to the Minister of Energy, Mines and Resources. In view of the fact the Minister of Indian Affairs and Northern Development stated on May 24, 1972, that he would be ready to refer the Canadian oil and gas land regulations to the Standing Committee on Indian Affairs and Northern Development for study and recommendation so that both governments and the public could have the opportunity to appear before the committee, and since this has not yet taken place, can the minister say whether or not the public will be given this opportunity before the revised regulations are made known?

Mr. Macdonald (Rosedale): Mr. Speaker, I just answered that question.

* * *

[*Translation*]

FINANCE

INTERNATIONAL MONETARY FUND—POSITION OF MEMBER COUNTRIES RESPECTING SPECIAL DRAWING RIGHTS

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to ask a question to the Minister of Finance, but since he is absent I shall direct it to the President of the Treasury Board.

In view of the decision by several countries to have a floating currency, would the minister tell the House what is the position of the member countries concerning drawing rights? In the affirmative, are drawing rights considered as incentives for discouraging member countries from devaluating their currency?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I could not answer this immediately, but I shall take it as notice.

* * *

[*English*]

TRADE

CANADA-UNITED STATES—PLANS FOR DISCUSSIONS WITH AMERICANS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is supplementary to the one asked by the Leader of the Opposition and I wish to direct it to the Minister of Industry, Trade and Commerce. On February 7 I asked the minister if he was "aware of indications in the United States that the United States government may resort to unilateral action to improve its trade position" and, "if so, can the minister tell the House whether the government has taken any direct action to ensure that Canada-United States trade relations will be adjusted by negotiation so that the Michelin case will not be a preview of things to come." The minister replied at that time that my question was hypothetical. Today my question is: in light of the growing momentum in the United-States to resolve their trade problems through unilateral and protectionist policies, has the government prepared plans for either multilateral or bilateral trade talks and, if so, has the government indicated to the United States that we are prepared to hold substantive trade talks with that country?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we are well advanced in the

preparations for the multilateral talks. As far as bilateral questions are concerned, discussions have been going on and the Prime Minister has already indicated government to government representations with respect to various outstanding matters.

PREPARATION OF POSITION PAPER ON EXPORTS OF MANUFACTURED AND RAW MATERIALS AND ENERGY RESOURCES

Hon. Paul Hellyer (Trinity): Mr. Speaker, I have a supplementary question. Would the minister tell the House if the government has prepared a position paper on the relationship of the objectives of Canada in so far as our exports of manufactured and raw materials and energy resources are concerned before the United States makes the decision for us?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not sure what the hon. member is referring to when he speaks of a position paper. Is he referring to another white paper? As he must know, the government published a white paper with respect to various options in Canada-United States trade five or six months ago.

Mr. Hellyer: Will the minister not agree that the time has come for the Prime Minister and himself to make personal representation to their opposite numbers in the United States?

Mr. Speaker: Order, please. The hon. member for Trinity will appreciate that it is a representation or an argument when a question is asked in those terms.

* * *

HOUSING

STEPS TO RELIEVE SHORTAGE OF SERVICED BUILDING LOTS AND REDUCE COST OF HOMES

Mr. Sinclair Stevens (York Simcoe): Mr. Speaker, my question is for the Minister of State for Urban Affairs. With house lot prices more than doubling and in some cases quadrupling in the last ten years in such Canadian centres as Toronto, Vancouver, Ottawa, Edmonton and Hamilton and with home prices now the highest on the continent in many of our cities, would the minister tell the House what steps he intends to take to help municipalities and provinces relieve without delay the current shortage of serviced building lots, in addition to any announcement made by himself or the provinces to date or the passage of Bill C-133?

Mr. Speaker: Order, please. The hon. member is asking for a very general statement from the minister. The minister will be recognized to reply to the hon. member's question briefly, if that can be done.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I should like first to pass as quickly as possible the land assembly provisions of Bill C-133 which the hon. member's party has been opposing.

[Mr. Gillespie.]

Mr. Stevens: In view of predictions by leading realtors that house prices within the next two years may jump by another $10,000 in such cities as Toronto, has the minister discussed with his colleagues, particularly the right hon. Prime Minister and the Minister of Finance, emergency measures that might be taken to avert such increases?

Mr. Basford: Mr. Speaker, we have put together a very large budget for the purpose of land assembly in light of the cost of serviced land, particularly in the province of Ontario, which we have discusssed with the provincial governments but judging by the 18 Conservative speakers who spoke in the debate on the bill—

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Hamilton West on a supplementary.

COST OF SERVICED LOTS AND HOMES—SUGGESTED TRI-LEVEL CONFERENCE TO FIND SOLUTIONS

Mr. Lincoln M. Alexander (Hamilton West): Notwithstanding what the minister says, Mr. Speaker, in view of the fact the cost of serviced lots in the Hamilton area has gone up by 177 per cent in the past ten years and detached homes 81 per cent and as the cost of a detached home is around $28,000 making it the third highest on the North American continent and as this seems to me to be a crisis—

Mr. Speaker: Order, please. Would the hon. member ask his question. It seems to me he is giving information rather than asking a question. The hon. member might come to the question.

Mr. Alexander: Mr. Speaker, I was just giving the basis of the crisis. Would the minister at his earliest convenience convene a tri-level conference of the municipalities, the provinces and the federal government in order to deal with the crisis in housing and come up with solutions that will solve the problem?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, we are already working on that on a tri-level basis. I have legislation relating to that program before parliament. The legislation will be discussed in committee. But I listened to those 18 Conservative speeches for some ideas and got none.

Some hon. Members: Oh, oh!

Mr. Baldwin: On a point of order, Mr. Speaker, I am compelled to rise to tell the House that in the statement of business made by the government House leader yesterday the bill to which the minister referred was placed eighth out of nine bills that he suggested the House should deal with.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Basford: Mr. Speaker, on the point of order, I should like to inform the House leader of the opposition that the bill he referred to was given second reading last night. I thought he was paying attention to the business of the House.

Mr. Speaker: Order, please. I will recognize the hon. member for Hamilton West on a further supplementary and the hon. member for Broadview on a supplementary.

Mr. Alexander: Mr. Speaker, may I direct my supplementary question to the Minister of State for Urban Affairs, and I do not want any smart-aleck answers. Is the minister prepared, after having reviewed the effect of the 11 per cent sales tax on building materials on housing, to recommend that this tax be either reduced or removed in order to stimulate housing and, incidentally, employment?

Mr. Basford: Mr. Speaker, tax policy is formed by the government and announced from time to time by the Minister of Finance.

Mr. MacDonald (Egmont): And changed from time to time.

RENT INCREASES FOR SENIOR CITIZENS—SUGGESTED REQUEST BY MINISTER TO PROVINCES TO IMPOSE RENT CONTROLS

Mr. John Gilbert (Broadview): Mr. Speaker, my supplementary is addressed to the minister. In view of the high rents prevailing across the country, especially in the province of Ontario, and in view of recent pension increases for senior citizens, in order to protect senior citizens against rent increases would the minister contact his counterparts in the provinces and request them to impose rent controls in the same way as the province of Quebec has done to protect these people?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the hon. member, I think, is familiar with the fact that I have written to my provincial colleagues with regard to those public housing units that are under the control of a provincial housing agency. Whether, of course, a province adopts a policy of rent control or not is purely within the jurisdiction of that province. The major Liberal provincial government in the country has already done so.

An hon. Member: Where is that?

Mr. Basford: The Conservative and NDP provincial governments have not done so.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Wellington.

Mr. Hales: Mr. Speaker, I am sorry that the Minister of State to whom my question was to be addressed has left the chamber. I will give up my turn.

TRADE

CANADA-UNITED STATES—REPRESENTATIONS BY MINISTER TO UNITED STATES SECRETARY OF COMMERCE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is supplementary to a previous question addressed to the Minister of Industry, Trade and Commerce. Can the minister advise the House approximately when was the last time he spoke to the United States Secretary of Commerce on any subject?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have already dealt with that question in answer to an earlier question.

Mr. Hees: On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. I have to hear the hon. member on his point of order, but I would hope that we would not again today spend most of the question period on points of order and questions of privilege. I will, of course, hear the hon. member on his point of order.

Mr. Hees: Mr. Speaker, this is a genuine point of order, because the minister has tried to imply that he has answered that question. He has made no attempt to answer that question today or any other day. I ask him to answer that question. Approximately when did he last speak to the American Secretary of Commerce?

Mr. Speaker: Order, please. The hon. member may not be satisfied with the reply of the minister, or even if no reply is given, but that cannot be raised by way of a point of order.

Mr. Hees: You have not got the guts to talk to your counterpart about anything. This is a gutless government.

* * *

CANADA DEVELOPMENT CORPORATION

INQUIRY AS TO SALE OF POLYMER SHARES OR OTHER ASSETS TO MONSANTO CHEMICAL COMPANY

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question might better be directed to the Minister of Finance but in his absence either the Prime Minister or the President of the Treasury Board might respond. Did the Canada Development Corporation, shortly after its acquisition of Polymer last July, sell any Polymer shares or other assets to Monsanto Chemical Company of the United States or to any other corporation?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I cannot answer with certitude, but I would be very surprised if that had happened.

An hon. Member: I would not.

Mr. Drury: I would be prepared to ascertain from the Canada Development Corporation and advise the hon. member.

• (1130)

POSSIBILITY OF SALE OF POLYMER AT LOWER PRICE TO AVOID EXCEEDING GOVERNMENT INVESTMENT IN CORPORATION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a supplementary question. I can only assume that the government was not consulted about this. I wish to ask the minister whether the undervalued sale of Polymer to the Canada Development Corporation for $72 million instead of its book value of $108 million was agreed to by the Governor in Council to avoid exceeding the $250 million statutory limit of the government's investment in the Canada Development Corporation?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, one cannot accept the premise of the question, namely that it was sold under value. There were a number of independent appraisals made of Polymer Corporation at the time of the sale. Consequently, the question is without foundation.

RECEIPT OF AUDITED STATEMENT FOR POLYMER PRIOR TO SALE TO CORPORATION

Mr. A. D. Hales (Wellington): Mr. Speaker, I wish to direct a supplementary question to the President of the Treasury Board. Was this sale made before the audited statement of the company was received?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the sale was made in relation to an audited statement covering the period up to the date of sale. It was made prior to the subsequent audited statement.

Mr. Speaker: The hon. member for Fraser Valley West has a further supplementary, after which I will recognize the hon. member for Yukon.

SALE OF POLYMER TO CORPORATION—REQUEST FOR TABLING OF INDEPENDENT APPRAISALS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I wish to ask the President of the Treasury Board whether the independent appraisals about which he spoke a moment ago are public documents? If not, is the minister prepared to table them in the House?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, in the normal course of events they are not public documents. I will make inquiries as to the appropriateness of tabling them.

SALE OF POLYMER TO CORPORATION—REQUEST FOR TABLING OF POLYMER ANNUAL REPORT

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a question to the minister responsible for the living, breathing and still existing Polymer Corporation. Section 75(3) of the Financial Administration Act contains the following requirement:

—the appropriate Minister shall lay the report—

Meaning the annual report of the corporation.

[Mr. Drury.]

—before Parliament within fifteen days after he receives it—

Since the minister received it on February 15 and since there appears to be no reason for concealing the financial information with respect to the operations of Polymer, will he now table that report in compliance with Section 75(3) of the Financial Administration Act?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I have already informed the House that I have received the Auditor General's report but not the annual report of the Polymer Corporation, which means that I am unable to answer the question.

In any case, as I was the minister responsible to the House during the period prior to the sale, from January 1 to July 31, 1972, I shall be glad to table the Polymer Corporation report when I receive it.

[*English*]

Mr. Nielsen: In view of the obvious interest in this matter and in view of the fact the minister knows as well as I that he received the audited financial statement of Polymer Corporation on February 15 of this year, will he now table it, giving hon. members full fiscal information in order to allay their fears that Polymer has indeed been thrown to the wolves?

[*Translation*]

Mr. Goyer: Mr. Speaker, the hon. member is very well informed, and I congratulate him; but if he will refer again to the act, he will see that section 77(3) does say, and I quote:

The annual report of the auditor shall be included in the annual report of the corporation.

Now, to repeat, I have not received the annual report of the corporation.

[*English*]

Mr. Nielsen: Why don't you table the financial statement?

* * *

[*Translation*]

INDUSTRY

TROIS-RIVIÈRES—ELIGIBILITY OF WABASSO EMPLOYEES FOR BENEFITS UNDER TEXTILE AND CLOTHING BOARD ACT

Mr. René Matte (Champlain): Mr. Speaker, I wish to ask a question of the hon. Minister of Industry, Trade and Commerce.

Could he tell the House whether the employees of the Wabasso Company, at Trois-Rivières, will benefit from the Textile and Clothing Board Act provisions following the fire which destroyed the equipment of that company the day before yesterday?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I will be pleased to take the question as notice and get an answer for the hon. member.

EXTERNAL AFFAIRS

VIET NAM—INQUIRY AS TO DECISION ON CONTINUING CANADIAN PARTICIPATION IN SUPERVISORY COMMISSION—SAFETY OF CANADIAN PERSONNEL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to ask the Secretary of State for External Affairs whether a decision has yet been made by the government with regard to the continuance of the Canadian contingent in the International Commission for Control and Supervision?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker.

Mr. Diefenbaker: Have representatives of the United States government or any of them pressed upon Canada the necessity of the force being continued, as reported in the press?

Mr. Sharp: Yes, Mr. Speaker.

Mr. Diefenbaker: Mr. Speaker, I wish to ask the minister a question concerning the safety of members of the Canadian contingent in view of shelling very close to them, 100 yards away, and also the setting up of missile bases in the south by the North Vietnamese. Have any directions been given to the commanding officer of this force to remove the members of the force, as they are virtually unarmed, to locations out of range of the very perilous position in which they have found themselves during the past few days?

Mr. Sharp: Mr. Speaker, the attitude of the United States toward the continuation of the International Control Commission and Canada's participation in it is well known publicly. The Americans have made no secret of their views. They have expressed these views publicly. They have expressed these views to us and, I am sure, to all other members of the International Control Commission. As to the second part of the question about the position of the commission, the Canadian contingent and the Poles, Hungarians and Indonesians are all together in the same place, so it does not only relate to the security of the Canadians. As I understand the position, the Canadian military commander in Viet Nam, General McAlpine, is well aware of the risks but has given no direction for any withdrawals. I have great confidence in his competence.

Mr. Diefenbaker: Mr. Speaker, does the minister not realize the very dangerous position in which these Canadians are because of the uncertainty that prevails today in Viet Nam? Does he not think that cautious precautions should be taken to remove them from the position they are now in, which apparently is within the ambit of artillery fire and has been for the past two days?

Mr. Sharp: Mr. Speaker, if our military commander in Viet Nam feels that it would be desirable for him to move any members of our team to a more secure place, that is within his discretion.

Mr. Diefenbaker: Isn't this a political decision?

Mr. Sharp: If we intend to continue to serve, which I believe is the view of some members of the party on the other side, if not of the right hon. member, then I think we have to serve. If our military commander feels that some risks must be taken, I believe we should go along with his judgment. We certainly have given no instructions to him to continue in any place of risk or danger. This is something we must leave to his discretion.

Mr. Diefenbaker: Isn't the decision a political one?

VIET NAM—TIME OF ANNOUNCEMENT OF DECISION ON CONTINUING CANADIAN PARTICIPATION IN SUPERVISORY COMMISSION—OPPORTUNITY FOR DEBATE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. In his answer to the first question of the right hon. member for Prince Albert I understood the minister to say the government was not yet ready to announce its decision about the continuation of our contribution to the control and supervision commission. I should like to ask a twofold supplementary. First, how soon does the government expect to be able to announce its decision? Second, will the minister see that an opportunity is provided for the decision, when announced, to be discussed by parliament as a whole?

• (1140)

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. Quite clearly we must make our decision early in the week. The matter has already been discussed in cabinet but we have not yet reached a conclusion. I have already said that as soon as the decision is made it will, as usual, be communicated to parliament, and an occasion will be provided for the decision to be debated.

Mr. Diefenbaker: Not "as usual"; it is unusual.

Mr. Sharp: No, it is not unusual.

* * *

TRANSPORT

TRAIN DERAILMENTS—REQUEST FOR TABLING OF REPORTS ON INVESTIGATIONS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Transport. In view of the concern of the public generally with regard to continuous train derailments and in view of the grave concern expressed by my own constituents as a result of a recent major derailment within a hamlet there, would the Minister of Transport be prepared to table in the House of Commons the reports of investigations which he mentioned in answer to a question on derailments on March 20 to give assurance that required action is being taken to protect people across Canada?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the inquiry was conducted by the Canadian

Transport Commission and I will ask the commission whether they will agree to table the report.

EARLY INTRODUCTION OF LEGISLATION TO DEAL WITH RAILWAY RELOCATION

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Would the minister indicate whether he intends to introduce as a matter of urgency the promised measures dealing with railway relocation before accidents or loss of life ensue in some cities, such as my own city of Wetaskiwin?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, my colleague the Minister of Transport and I are working on this as a matter of priority. There is a very complicated job of drafting to be done but we do hope to introduce the legislation as soon as possible. Meanwhile, of course, the operations of the Canadian Transport Commission and the grade crossing fund continue within the jurisdiction of my colleague, the Minister of Transport.

* * *

INDUSTRY

AUTOMOBILES—POSSIBILITY OF REMOVAL OF TARIFF IF COMPANIES FAIL TO REDUCE PRICES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce arising out of the correspondence that he tabled in the House the day before yesterday. From that correspondence it appears that the minister proposed to the automotive companies in Canada a suggestion made by myself, though it seems his proposal to the companies was earlier, to the effect that unless they agreed to reduce their prices for the 1974 model year, which will be coming along reasonably soon, he would remove the 15 per cent duty that the consumers of Canada must pay if they purchase a car in the United States. The correspondence that the minister tabled indicates that two of the companies, specifically the two which replied, categorically rejected that suggestion. Does he intend to enforce that proposal if the companies do not comply?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker. the two automobile companies gave a commitment with respect to the 1973 year model that there would be a price freeze in Canada on 1973 models regardless of what increase there might be in the United States. I expect them to live up to that commitment and there is every indication that they will. As the correspondence that I tabled indicated, they also gave an undertaking with respect to pursuing the government's objective toward a reduction in the price differential of 1974 models, and I expect to hold them to that too.

Mr. Speaker: I will recognize the hon. member on a supplementary, but I would point out to the House that there are only five minutes left before the end of the question period so we should have as few supplementaries as possible.

[Mr. Marchand (Langelier).]

Mr. Broadbent: In view of the fact that the price freeze the minister referred to on 1973 models came after the companies had already increased their 1973 prices, and thus was rather ludicrous, and in view of the fact that the price differential that Canadians must pay compared with United States consumers is in the neighbourhood of 10 per cent, or about $300, and is totally unwarranted, would the minister assure the House that the suggestion that he himself made to the companies will be adhered to or that otherwise he will take governmental action instead of just talking about enforcing the commitment they made?

Mr. Gillespie: Mr. Speaker, I think it might be worth reminding the hon. member that this is the first action of this kind that has been taken by the government to bring about a narrowing of the price differential. The increase that the hon. member referred to covered mandatory emission and safety standards and had nothing to do with economics, as I have made clear on a previous occasion. The best evidence that the policy is working is that last week Chrysler announced a price increase in the United States but there was no price increase announced for Canadian models.

* * *

TRADE

CANADA-UNITED STATES—REQUEST FOR PRODUCTION OF PAPERS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I should like to get back to the Minister of Industry, Trade and Commerce regarding the rather dangerous and certainly disturbing implications of the report presented to the Congress of the United States yesterday. In view of the fact—I say this in as non-partisan a way as possible—it is essential that the world know Canada's position in respect of the continuing argumentation that is going on, and that it is essential that even the members of the House of Commons understand the position of the government of Canada on this matter, would the minister expedite production of the papers asked for on March 9 in the House in four separate notices so we would at least know what formal representations have been made and what notes have been sent to the government of the United States regarding the four main continuing arguments or concepts in relation to this situation?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I would be pleased to look at the particular point the hon. member has referred to, the questions that are outstanding. Again I think it is worth reminding the hon. member that we did table the formal protest note to the United States government respecting the Michelin countervailing duties. I might also take this opportunity of inviting the hon. member and others to read the speech that I gave in Toronto two nights ago, which clearly pointed out—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

CANADIAN COAST GUARD

REQUEST FOR INVESTIGATION OF LACK OF PROMOTION OF BILINGUALISM AT COLLEGE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport who is responsible for the Canadian Coastguard College. In view of the fact that the Canadian Coastguard College is a bilingual college, and in view of the fact it is my understanding that bilingualism is not being promoted at that college as well as it should so far as the French language is concerned, would the minister cause an inquiry to be carried out to ascertain just what problems may exist there in regard to this subject?

Hon. Jean Marchand (Minister of Transport): With regard to bilingualism?

Mr. Muir: Yes.

Mr. Marchand (Langelier): I will surely inquire, Mr. Speaker. I do not know exactly to what the hon. member refers, but I will ask what is the status of the languages at the Canadian Coastguard College.

Mr. Muir: Would the minister at the same time ascertain what has been the result of a complaint made to the Commissioner of Official Languages, and what has happened to the recommendations he made regarding the college?

Mr. Marchand (Langelier): Mr. Speaker, as I have stated in the House, I am going to have a meeting with Mr. Keith Spicer and this is one of the points I will discuss with him.

* * *

INDUSTRY

CONSTRUCTION MATERIALS—CONTROLS TO PROTECT CANADIAN COMPANIES

Mr. William C. Frank (Middlesex): Mr. Speaker, I would have directed my question to the Minister of Finance but possibly the Minister of Industry, Trade and Commerce would answer it. Since there has been an abrupt increase in the cost of construction materials in Canada and in the export of these products both to the United States and Japanese markets, does the minister intend to implement stringent controls to protect our own industries?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am aware of the situation to which the hon. member is referring. He may be aware that Canadian logs are under export permit and that indeed we are a net importer of logs rather than an exporter. I have met with industry representatives, particularly from the west coast, respecting the supply situation. While I expect the supply situation may remain tight for some months owing to the unprecedented levels of construction activity both in Canada and the United States, they have assured me that every effort will be made to free up the supply side.

HARBOURS

PRINCE EDWARD ISLAND—SUGGESTED ABANDONMENT OF DESIGNATED PORTS MAINTENANCE AND DEVELOPMENT PLAN

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the genial and honourable Minister of Public Works. In light of the minister's recent comments about improving harbours in the Atlantic provinces, may I ask him whether he is giving consideration to abandoning the designated ports plan in Prince Edward Island and returning to a policy whereby all of our fishing harbours, and not just a few, will be properly maintained and developed?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I will be very pleased to give all the consideration I can to this matter and reply to the hon. member.

* * *

• (1150)

NATIONAL DEFENCE

AIR NAVIGATION AND RADIO AIDS—APPLICATION OF UPGRADED REGULATIONS FOR CIVILIAN AIRCRAFT IN THE NORTH TO ARMED FORCES AIRCRAFT

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a question for the Minister of Transport. In view of the $3.7 million the government is spending to upgrade air navigation aids in the north to reduce the incidence of lost aircraft, will the minister tell the House whether the upgraded regulations that are to apply to civilian aircraft in the north will apply also to Canadian Armed Forces aircraft?

Hon. Jean Marchand (Minister of Transport): Is the hon. member asking about Canadian Armed Forces aircraft? This question will have to be put to the Minister of National Defence. I am in charge only of civil aviation.

Mr. Bawden: Mr. Speaker, I have a supplementary for the Minister of National Defence. Is the minister aware that certain Canadian Armed Forces aircraft operating in the north are seriously under-equipped with navigation and radio aids, particularly modern crash position indicators, thus seriously and unnecessarily risking the lives of Canadian Armed Forces air crews?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, all Canadian forces aircraft are equipped with personnel locator beacons. Most of the aircraft, the Hercules and the Twin Otters operating in the far north, are also equipped with crash position indicators. As I am sure the hon. member knows, there are the two types, but our aircraft are equipped with personnel locator beacons.

Oral Questions

CONSUMER AFFAIRS

ACTION TO ASSIST OWNERS OF FIRENZA CARS RESPECTING COMPLAINTS

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question I should like to direct to the Minister of Consumer and Corporate Affairs. It has to do with the large number of Firenza motorcars. I have myself seen this morning 100 such complaints in a file. Are the minister and officials of his department aware of these complaints, and what action is being taken to try to help the people who own these cars which have now been taken off the market by General Motors?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, on March 8 the department wrote the president of General Motors to inform him that it had received a substantial number of complaints from Firenza owners and to inform him of the department's concern about the matter and that it would be in touch with the company again once it had completed an analysis of the complaints. On Wednesday I wrote personally to the president of General Motors enclosing this analysis and telling him that I had instructed the staff of my department to be in touch with senior officials of the company to see what could be done to work out solutions to these consumer complaints.

Mr. Speaker: Before calling orders of the day the Chair will recognize the hon. member for Kingston and the Islands.

* * *

TAXATION

EFFICACY OF 1971 TAX LEGISLATION IN RELIEVING BURDEN ON LOW INCOME CANADIANS—FURTHER MEASURES TO PROVIDE EQUITY

Miss Flora MacDonald (Kingston and the Islands): Thank you, Mr. Speaker. In the absence of the Minister of Finance I should like to direct my question to the Prime Minister. In view of the findings of a study by the Economic Council of Canada that the so-called tax reform bill of 1971 does not live up to its promise of relieving the tax burden on low income Canadians and leaves low income families paying a disproportionately high share of the country's taxes, does the government intend to introduce further tax measures over and above its proposed 2 per cent reduction to provide genuine equity in the tax system?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we realize that the tax legislation of 1971 did not achieve perfect equity. We are rather proud that it took about one million people off the tax rolls and reduced the income taxes of another five million, which is no mean achievement, but we realize this is an ongoing problem. The other part of the problem, of course, can be solved only by looking at other aspects of taxation, such as indirect taxation. The government is concerned about this now, keeping in mind, of course, that the provinces have a lot of taxing powers themselves. Perhaps the final answer for this time is that the budget measures announced in the speech of the Minister of Finance recognize some of these facts and bring in progressive tax cuts which would be very advantageous to the low income groups.

[Mr. Richardson.]

Miss MacDonald (Kingston and the Islands): Mr. Speaker, since the Economic Council of Canada has said that the budget does not recognize this, I should like to ask a further question. In light of the fact that increasing the exemption is considered least beneficial for low income groups and provides maximum assistance for those in the highest income groups, does the government now intend, as suggested by the province of Ontario and others, to introduce a tax credit system that will provide assistance to those who truly need it most?

Mr. Trudeau: No, Mr. Speaker, not at this time.

Mr. Speaker: Orders of the day. Order, please. Perhaps hon. members would like to pursue their conversations behind the curtains so that the motion can be put.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO PROMOTE INTERESTS OF CROWN CORPORATIONS

Mr. David Lewis (York South) moved:

That this House regrets the failure of the government to develop policies to create and operate Crown corporations for the benefit of the public, and condemns the government for divesting itself of its holdings and giving preferential treatment to private corporations in the field of public transportation to the detriment of corporations which belong to the people of Canada.

He said: Mr. Speaker, in the course of the years, this country, whatever may have been the government of the day, has found it necessary in some areas to establish publicly owned industries for the benefit of all the people of Canada. We are raising the subject today because there are ominous signs that successful Crown corporations are being dismantled or deliberately hobbled in respect of their further development. I want to emphasize that I am not placing this motion before the House in any doctrinaire sense or along doctrinaire lines, but because what is happening now to Air Canada and other corporations threatens to distort the development of the Canadian economy in key areas. That is the only reason we raise the matter today.

I wish to deal first with Air Canada. I want to address my remarks particularly to the Minister of Transport (Mr. Marchand), if he will do me the honour of paying attention to what I say. Someone had better poke him in the ribs. Perhaps the President of the Privy Council (Mr. MacEachen) could do that. I say to the Minister of Transport that what his department is doing to Air Canada and the preferences it is giving to CP Air are a scandal and a disservice to the people of Canada as well as to the future of the publicly-owned airline.

I refer first to the fact that he gave the route to Peking to CP Air. I heard someone on the other side say to me the other day that Air Canada was not particularly anxious to get the route to Peking. Let me inform the Minister of Transport that I have spoken to chief executives of Air Canada who have emphatically stated that they wanted and needed the route to Peking. They realized it might have been a losing route for a few years, which is always the case in such development, but they recognize that China and the area around it is an important area of growth, so for Air Canada that route would eventually have become a very important and profitable operation.

• (1200)

But what disturbs me more than I can say is that for a long time now the department has had before it the question of which one of Canada's carriers will be landing in Milan, Italy. I am worried about the length of time which the department is taking in making that decision, because it seems to me obvious that it ought to go without question to Air Canada.

Some hon. Members: Hear, hear!

Mr. Lewis: I say to the minister that if he yields to the advice he may be receiving from the privately oriented mandarins in his department and gives the route to Milan to CP Air, that will be a further betrayal of the importance of Air Canada and of its future as a publicly owned airline. The argument is made—at least I have heard it—that to give Air Canada Milan while CP Air has Rome, would create competition between those two airlines in the same country. May I remind the minister and members of the House that CP Air was given Amsterdam in a context to which I will refer in a minute, and although Amsterdam is in a different country from Brussels, or some other very close airport, the fact is that that is competition even closer to Air Canada competition than Milan would be to Rome.

What has happened in the history of our airlines in Canada is to me very significant and very revealing about both old parties in this blessed and great country of ours. We had established a publicly owned airline in line with most countries in the world. There are very few countries which have privately owned airlines, the biggest one among them being the United States. We have followed the Americans in many areas, not all of them beneficial to Canada may I underline.

Mr. Lambert (Edmonton West): Oh, oh.

Mr. Lewis: I wish the hon. member for Edmonton West (Mr. Lambert), who eats private enterprise for breakfast, regurgitates it at lunch, and does something even less elegant with it at dinnertime, would hold his seat, Mr. Speaker, and not jump every time we talk about a publicly owned airline.

Mr. Lambert (Edmonton West): Your stuff is so sanctimonious anyway.

Mr. Lewis: The thing is, we had a publicly owned airline which the people of Canada established as air transportation became of some importance. Then, the Conservative government in 1959 started the ball rolling for the privately owned CP Air. It said to CP Air that it could have one or more airports in Canada, transcontinental routes. Then, in 1966 or 1967, the then minister of transport, the hon. Mr. Pickersgill, who did a great deal of good for Canada in that department, as he told me, but no matter how carefully I have looked I have not yet been able to find it, decided on a policy of dividing the world. Let us look at this policy and see how indefendable it is.

How did they divide the world between the two airlines? They gave Air Canada northern Europe—that is how Air Canada got Moscow—including the United Kingdom, and the Caribbean, and they allotted to CP Air southern Europe, the growing Pacific area, Mexico and Latin America. That was supposed to be an equal division. To me, it looks more like a rabbit and a horse. CP Air received all the growing areas of the world, with the exception of Africa which has not yet entered the picture. They have the whole of the Asian continent, which is growing and will be an important source for air transportation passengers and cargo, all of Latin America, which will be an important source also. Mexico is already a most profitable source of revenue for CP Air which at first got Mexico city and now has two or three more airports in Mexico. Air Canada cannot go there, yet Mexico is an important tourist country to which many Canadians go at different times in the year.

This scandalous division of the world is now being kept, and if the department continues along this course, CP Air will be the most powerful and most profitable Canadian air carrier while our own carrier, which is owned by the people of Canada, will have its growth stunted. What sense is there in that? Perhaps the ladies and gentlemen in the House may know that every time I think of CP Air I get a little apoplectic. We built the goldarned company with people's money, with people's land. They now have a huge empire, and as if that were not enough, when they are in competition with the publicly owned airline, we want to make certain that this large economic empire will have the opportunity for growth, development and profits while we stunt our own airline.

Some hon. Members: Hear, hear!

Mr. Lewis: That is totally indefensible. I hope that the present Minister of Transport is differently oriented from my friend, Mr. Pickersgill. I have said some unkind things about some other friends I had in the Bank of Canada whom I appear to have lost. I do not know whether Mr. Pickersgill will continue to be my friend. I certainly know that Mr. Pickersgill did a disservice to Canada in this policy which he established, and I also know that as chairman of the CTC, he did not do service to Canada by the way in which Bell Telephone got away with whatever it wanted and by the way in which the railways got away with whatever they wanted in rail line abandonment and everything that is contrary to the needs of the Canadian people. I know that the present Minister of Transport used to have a different kind of orientation and I think he still does. I appeal to him to stop this indefensible, conscienceless bending before CP Air and Canadian Pacific and give our own airline the opportunity which it ought to have for future growth and development in an era when transport is becoming daily more important for all the people of Canada.

An hon. Member: They had better improve their service to Ottawa.

Mr. Lewis: Here we go. Those are the usual stories. I have been on CP Air when I could not use Air Canada. I have been on CP Air and I say to these gentleman, and to their friends whose corporate rip-off they are determined to support no matter what their political position may be, that Air Canada is every bit as good as CP Air, if not better—

Some hon. Members: Hear, hear!

Mr. Lewis: —except that it is an airline owned by the people of Canada. Therefore, when it progresses, makes profits and has a surplus, it does so on behalf of the people of Canada, whereas CP Air's profits and surpluses are on behalf of the rich investors of Canadian Pacific. God alone knows they have taken enough out of the flesh of the Canadian people, and they are not entitled to any more.

• (1210)

Some hon. Members: Hear, hear!

Mr. Lewis: It is really interesting to note some of the directors of CP Air. We have President Ian Sinclair, who is the head of it. They are little people, Mr. Speaker. You have always to remember that the directors of these large economic corporations are modest Canadians like Thomas Bata, the head of Bata shoes; Charles Bronfman, one of the heads of the liquor interests in this country; Hon. E. C. Manning, the modest ex-Premier of Alberta, and H. A. Martin, who is also at the same time a director of the Canada Development Corporation.

When you look at other subsidiaries of Canadian Pacific you find such little people as Duff Roblin, who is President of CP Investments, and J. V. Clyne, a Macmillan-Bloedell executive; W. Earle McLaughlin, the unknown head of the Royal Bank and a director of the Power Corporation of Canada. These are the people who already have directorships in every important industry in this country, and have their hands on every important economic lever in this country. It is to these people that the ministry of transport hands over the best opportunities for development, from the point of view of the future, at the expense of Air Canada and the people of this country. If there are members of this House who are not eaten up by doctrinaire love for so-called private enterprise, which is not private at all any more, then they ought to tell the Minister of Transport that this parliament will not stand for any more erosion of the future prospects of the people's airline of this country.

At the same time, look at what has happened with the Canadian Development Corporation. That was, I suggest to you, Mr. Speaker, a valuable idea, an idea which, as we have pointed out to parliament on a number of occasions, our party suggested at its founding convention in 1961. We called it a Canadian Development Fund at that time. It was an idea for garnering large amounts of capital for investment so as to make sure that Canadian development is in Canadian hands, and that areas in Canada which cannot attract private capital will have a source of funds for their development. Its purpose as well was to make sure that developments in new areas, in electronics and other new technology and scientific development in this country will not be in the hands of foreign corporations, or even of domestic private corporations, but will be in the hands of the people of Canada through some appropriate organizations.

One of my colleagues, the hon. member for Assiniboia (Mr. Knight), will deal with this subject in greater detail later today, but I want to deal with it as a whole for a moment. This was a good idea, an important idea for a country like Canada. It was an important idea for two very significant reasons. One is the extent to which our economy is now owned and controlled from outside. It was necessary to make certain that such a fund of investment capital was not in the hands of private investors who would just as soon, or sooner, sell to an American corporation for a fast buck than be concerned with Canada's economic independence. It was, therefore, important to have a publicly-managed fund of investment capital available for the purpose of retaining, at least in the future, the economic development of this country in Canadian hands. There is only one guaranteed way that anything will remain in Canadian hands, and that is if it is in the hands of the people of Canada instead of in the hands of a private corporation.

The second reason that was an important idea was that this country, like many countries in the world, has large underdeveloped areas that cannot be a place for private investment without public assistance. Those areas have never been profitable for private enterprise and are not likely ever to be profitable for private enterprise. That is recognized in the Department of Regional Economic Expansion where, in a way that I do not agree with but at least it underlines what I am saying, that department spends hundreds of millions of dollars of the people's money to build industry in these disadvantaged areas, so that even this government now recognizes these areas cannot develop without public intervention.

This was the other idea behind the Canadian Development Fund which we proposed in 1961. This was an important idea, and important for significant reasons. But what has happened to the Canada Development Corporation, as we foretold at the time would happen, and which was the reason we opposed it and why we moved numerous amendments which were defeated both by the Tories and Liberals in this House, is that it has become a mutual investment fund that takes no account at all of the needs in Canada, that does not appear to be concerned in the slightest with economic development in this country, and that is interested only in making itself into some kind of profitable organization. What other reason could there be for putting its hands on Polymer? In God's name, what other reason could there be for that? Here was an organization set up during the Second World War which has served Canada well, which has been a profitable undertaking, and which has operations outside Canada even now. What reason was there for the Canada Development Corporation to lay its hands on it, except that here was a profitable organization that it wanted to make part of its profit-seeking self?

The Canada Development Corporation has gone into partnership with Venturetek and West Venture—I think

that is its name, a similar operation on the west coast. The president of Venturetek is the son of a board member of the Canada Development Corporation, who himself had been head of that same corporation earlier, I think just before he became a member of the board of CDC. And I am informed that the west coast, so-called Venture organization, has hardly had any money put into it by private people. But now they will get part of the profits, if profits there be.

Of what value is this mutual investment fund now? A great important idea for the development of Canada in Canadian hands has been distorted and destroyed by the government, with the assistance and support of the Tory opposition, until it has been turned into a mutual investment fund that serves no purpose other than to try to attach existing investment corporations of this country. Indeed, Sir, the CDC—

Mr. Lambert (Edmonton West): We did not support the CDC at all.

Mr. Lewis: My hon. friend from Edmonton West tells me that he did not support the CDC. That is right. I said that he voted against our amendments, and that also is right. He did not support the CDC because even the aborted idea of the Liberals did not fit him. He did not want anything to do with any kind of Canada Development Corporation. He wanted to be certain that everything was held for his friends in Calgary and Edmonton, as if they did not already have enough of Canada and Canada's resources.

Mr. Lambert (Edmonton West): Go on and moan somewhere else. Go and cry elsewhere.

Mr. Lewis: Mr. Speaker, that is why he opposed the CDC. He and his colleagues will oppose anything until such time as the corporate tax cuts come before them, and then they will genuflect with great alacrity, just as they have always done in the past. Their hunger for throwing the government out suddenly recedes as their hunger for party campaign funds takes over, Mr. Speaker.

• (1220)

Mr. Nielsen: Mr. Speaker—

Mr. Lewis: The hon. member for Yukon (Mr. Nielsen) has something important to say I am sure.

Mr. Nielsen: Mr. Speaker, I have been listening very carefully, as I usually do, to the hon. Leader of the New Democratic Party (Mr. Lewis). From what he has said it seemed that he was condemning the sale of Polymer to the Canadian Development Corporation. Do I understand that he actually condemns that sale?

Mr. Lewis: Yes, Mr. Speaker, the hon. member understands correctly. I condemn that sale—I condemn that sale with all the vigour I have. There was no excuse for it and there is no logic in CDC doing that. There is no good economic reason and I condemn it, Mr. Speaker. The Canadian Development Corporation has $250 million of the people's money to invest and I say to you, Mr. Speaker, that it is a waste of that money merely to buy up something that already functions efficiently. That is not using the money properly and the government ought to tell the CDC to cut it out.

The President of the Treasury Board (Mr. Drury) ought to be ashamed of having agreed to the sale of Polymer to CDC. I ask him in all seriousness, what value there is in taking $60-odd million or $70-odd million of the $250 million capital of public money given to the CDC and using it to buy Polymer, an existing corporation, what addition to Canada's wealth does that represent? If that $60 million or $70 million had been used to set up some industry in Nova Scotia, New Brunswick, Newfoundland, Northern Ontario, Saskatchewan, or Quebec, there would have been an addition to the wealth of the country and additional opportunities for jobs for Canadian workers. This action of the CDC is a shameful grabbing along the lines of the usual economic empires which now throttle Canada and should not be permitted.

The CDC has become an extension of Power Corporation of Canada, which I find to be a nest of Liberal birds—

An hon. Member: Vultures.

Mr. Lewis: —or probably vultures, Mr. Speaker. There are people representing Power Corporation or who were earlier associated with it on the board of directors of CDC still acting in the only way they know; they never think in terms of the needs of the people or the needs of the country but think as directors of whichever corporations they headed in private enterprise. This is the kind of distortion which has been made of a good idea, Mr. Speaker.

The idea of CDC taking over Eldorado and the 45 per cent that the government of Canada owns in Panarctic is a shuddering distortion of the needs in this country. The money is being used to take over existing situations without adding to the wealth of the country. It is asking that the government should consider selling the 45 per cent of Panarctic which ought to be at least 51 per cent because this parliament, not the private consortiums, ought to have a controlling interest in that Panarctic and the developments of Northern Canada. If there is wealth in the north it ought to be exploited on behalf of the people of Canada, not on behalf of the private corporations. Only if it is exploited that way will there be some concern with the rights of the native people and the environment of that area.

I want to underline, Mr. Speaker, that it is significant that they should even consider it because, if there is another area of probable growth in the future and probable profitability in the future, instead of coming back into the Treasury of Canada to be used for various programs on behalf of the people of Canada it will be added to the profits to attract investors in what is now a mutual investment fund.

As I have already said, Mr. Speaker, one of my colleagues will deal with the CDC in detail and another will deal with Polymer in detail. I want to conclude on this point, if I may. My colleagues and I do not claim that other members of this parliament and people who do not support us in Canada are any less concerned about the future of the country than we. I do say, however, Mr. Speaker, that there is a feeling in the youth of Canada

which parliament ought to share, that this country is being handed over recklessly.

I had the honour of being invited last night by the Student Council of the University of Western Ontario to participate in an exercise which they called "Confidence Canada." The well-known writer and broadcaster, Pierre Berton, and I were honoured in being invited to receive awards from the Student Council in relation to Canadian independence, both economic and cultural. I do not know exactly how many people were there, but I was told that the hall holds more than 2,000 people and it appeared to be full. That is not as important as the fact that the young people, at least 90 per cent of the audience, consisted of university students and some upper grade high school students. That audience of more than 2,000 young Canadians was enthusiastic about this country. The propositions which we put to them about the need for regaining control of Canada's economy and developing a Canadian culture of independence, beauty and strength, was received with warmth and enthusiasm. I told them at the end of the meeting that they moved and inspired me much more than I could possibly have hoped to move and inspire them.

Mr. Speaker, across this country there is a growing appreciation of the fact that our wealth is being exploited for private gain and not for public good; it is being exploited mainly for the gain of large multinational corporations and not for the objectives of this country. There is a growing realization of that and there is a growing demand that the sellout of Canada should stop, and that the riches that this country has be developed in this country for the welfare of its people and, in so far as we can spare them, for the welfare of other peoples in the world who need them and not for those who are already rich and powerful.

What we are saying in this motion is that development of this country requires more and more public involvement and public investment. We are saying that the policies with regard to Air Canada, to the Canadian Development Corporation, to Polymer and to Panarctic on which this government is now embarked is a reversal of progress in this country and must stop. We hope that this government will be persuaded to stop it.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, let me say at the outset that it is not very often I have the opportunity of following the distinguished member for York South (Mr. Lewis), who always speaks with such eloquence and conviction. We heard again today his usual rhetoric and his exposition of socialist philosophy. He seems to speak with more determination and conviction each day. It seems to me that power has gone to his head. He would sooner promote his own philosophy than meet the challenges inherent in any action that is necessary to meet the transportation needs of the Canadian people. It is obvious, from the drafting of the motion, that he is concerned about the government's failure to develop policies relating to corporations which belong to the people of Canada; yet he did not say anything about the need for improving the transportation network in Canada and overcoming some of the deficiencies. I hope that the Minister of Transport (Mr. Marchand), to whom the hon. member addressed a good portion of his speech, will not be overly concerned with the appraoch taken by the hon. member for York South who preceded me.

• (1230)

Let me give a good example of how a private regional air carrier moved into a vacuum which was left by Air Canada. I am speaking about the service between Edmonton and Calgary. Some years ago, Air Canada gave up the route between Edmonton and Calgary because it was losing money. Pacific Western took on that route and provided an air bus service. On week days there are six flights each way between Calgary and Edmonton. You can fly from Calgary to Edmonton in 35 minutes. There is no waiting time. You walk into the air terminal, buy your ticket, get on the aircraft, and you can travel from Edmonton to Calgary in less than one hour, travelling time to and from the airport included. This has been a very successful venture.

One might ask this question: If that service is so successful and efficient between Edmonton and Calgary, why is it not feasible to set up the same kind of service to serve Toronto, Ottawa and Montreal?

The leader of the NDP referred to the awarding of the route to Milan. I, too, wish that the government would make a decision about the awarding of this particular route, because it seems to me that the delay will only add further confusion and frustration for the air carrier who will eventually be awarded it. It will make it more difficult for that air carrier to capitalize on the summer travel season this year, which will be the annual peak. I hope the government, in making any decision, will not be dictated to, and I hope it will not listen to any threats made by the President of Air Canada, Mr. Pratt, who has suggested that he would quit in disgust if the route is not awarded to Air Canada.

If the government awards that route to Air Canada, it must clarify its policy. Aviation policy was defined in 1965, and under it CP Air was designated to serve the whole Pacific area, including the whole of Asia, Australia, New Zealand, as well as southern and southeastern Europe and Latin America. Air Canada was designated to serve Britain, western, northern and eastern Europe, and the Caribbean, with this exception: CP Air was to continue to serve the Netherlands through Amsterdam. It seems to me that under established policy CP Air should rightfully be awarded access to this route, and I think the government owes it to the House to explain its new policy if it is contemplating a deviation from the existing policy.

When we look at the needs which confront us in transportation in this country, in the air, on land and on water, it will be seen, I think, that there is a need for both private and public investment if we are to be successful in developing a co-ordinated and integrated transport system in this country. Those of us who travel on the airlines know that competition is needed if we are to be given the kind of service to which people are entitled. Certainly, the federal government should encourage a great deal more research into many modes of transportation. I believe there is a great deal of work to be done on tracked air cushioned vehicles and intercity rapid transit. I believe those avenues should be explored. While this is being

done, it would be wise to improve and polish some of the facilities which we now possess.

The Canadian Transport Commission Research Branch, in its Intercity Passenger Transport Study of September, 1970, said in part:

—in the 1970's the greatest benefit would be derived from improvements in the existing modes, such as on-time reliability (and consequent reduction in waiting times), passenger processing procedures, and rail improvements using existing trackage.

—access to terminals and processing waiting times in terminals make up a large segment of total trip time and consequently improvements in this area will have significant payoffs.

The travelling public is not so much concerned with the amount of time that is spent in the air as with the frustration and confusion that is created on the ground. I am speaking of methods of handling passengers, of luggage handling methods and of how tickets are processed. The CNR, for example, is a Crown corporation, but I do not think it is a leader or an innovator in this field. I believe that the corporation should be addressing itself to shortcomings in these areas. Advances and improvements in rail passenger service have been few in the past years. I suggest that all this is not only a challenge to the private sector, but a challenge to the public sector as well, including existing Crown corporations. My main concern has not to do with the effect which private enterprise will have on government sponsored bodies. My biggest concern is to see that the Canadian public is given the kind of service it is entitled to, at reasonable prices. My remarks also apply to the transportation of goods.

There was a debate on Tuesday in which it was pointed out by many in this House that inequities and discriminations in the application of railway freight rates have had an unfortunate effect on the various regions of this country. It is imperative that we develop an effective and equitable freight rate structure which will apply to the transportation of goods from region to region. That structure must not work to the detriment of any region of Canada, particularly the Atlantic region and the western region. The CNR is more concerned about sprucing up its corporate image than addressing itself to the needs of transportation. Double page ads in the major magazines throughout Canada do not really refer to transportation, but real estate investment. I have here a double page ad which indicates the huge tracts of land they are utilizing to erect buildings and shopping centres. I notice that even the town of Vegreville is included in this particular ad.

• (1240)

There is an ad in *Time* magazine which boasts about the CNR operating so efficiently year after year. It asks "Why don't we end up in the black more often?" There are a lot of Canadians asking the same question. Rather than the CNR concerning itself with a public relations campaign, it would do much better to take a look at its rail passenger service and spruce it up a little so that Canadians who are desirous of travelling by rail will have the opportunity to do so comfortably and efficiently.

There is no question that we need improvements in our air service in this country. We have two major air carriers which basically provide trans-continental and international service. These airlines could be complemented to a much greater degree by an effective co-ordinated regional air carrier policy. This whole system should devote itself to serving the passenger needs of all of Canada and particular regions, not when it suits the carrier but when it suits the passenger.

There are a number of regional air carriers in Canada which have done a very good job. However, a clear cut air transportation policy utilizing the two major air carriers, co-ordinated by the regional air carriers, is something we need in this country. Pacific Western Airlines, which filled a vacuum in the western part of Canada, Eastern Pacific Airlines and Transair are indeed carriers that we need in this country. They are efficient and effective. I do not believe they would do a better job if they were nationalized.

There is a lot of talk about the service received from Air Canada, particularly as it relates to western points. Some of the services leave much to be desired. The service between Ottawa, Toronto and Montreal is such that on any given day it is difficult to get a reservation to travel from city to city. If you do not book your flight a week in advance, you will be flying by the seat of your pants. If this national air carrier cannot put on more aircraft to supply the needs of the people, someone else should be allowed to do it.

Some hon. Members: Hear, hear!

Mr. Mazankowski: You cannot have a monopoly and fail to provide the service which the public needs. Pacific Western Airlines, which serves the cities of Calgary and Edmonton, have filled the void created by Air Canada which felt it was not economical to serve those two cities. This is a profitable operation and renders the kind of service that is needed between those two cities. The carrier is happy and the public are happy.

The frustrations of passengers wanting to fly between Toronto, Ottawa and Montreal is obvious. I have experienced it many times. When I journey westward to Edmonton on a weekend, I must stop off in Toronto. I have waited as long as 10 hours to get my connecting flight. Flight 137 which travels from Saint John to Toronto and on to Edmonton has never been on time on a Friday night for the past two months. These are some of the things which frustrate Canadians.

The airlines and the passengers, particularly the passengers, find that Toronto is a huge bottleneck when travelling to Ottawa. Also, the citizens of Toronto do not appreciate having these extra flights around their city. Why can we not have a direct air link between the capital city of Canada and the capital city of Alberta? Surely, the city of Edmonton has matured to the stage where it deserves a direct link by Canada's national air carrier. You either have to go to Winnipeg and wait for an hour and a half or go to Toronto and wait for an hour and a half. There is a not a direct link by Canada's national airline between the city of Ottawa and the city of Calgary. There again there are stopovers, delays, frustrations and traffic jams in Toronto or an undue wait in Winnipeg.

There is something else that is needed in Alberta. It is high time the city of Edmonton was awarded a bilateral service to the United States. Edmonton is the only city in Canada that does not have a direct link to the United States. Bilateral talks have been going on, but nothing has

developed. They have been stalled. We would like to know what the future holds with respect to this application. I have a letter from the Edmonton Business Development Department which puts forth in a nutshell the reasons and the desirability for Edmonton gaining this access. I quote:

> Edmonton is still the only city without bilateral service to the United States. Therefore, it is vital that Edmonton obtain the route from Twin Cities (Winnipeg), Edmonton-Anchorage daily jet service. Northwest Airlines, through president Nyrop, have agreed to fly this route if it is granted. This will give Edmonton connection to the central United States and give Canada its first connection to Alaska.

An air bridge between the state of California and the cities of Edmonton and Calgary is another desirable requirement. Calgary and Edmonton are the fourth and fifth largest sources of air passengers for Los Angeles and San Francisco in Canada. Los Angeles is Calgary's largest U.S. market with San Francisco its fourth largest. Los Angeles is Edmonton's second largest United States market while San Francisco is Edmonton's third largest market in the United States.

Mr. Speaker: Order, please. I regret having to interrupt the hon. member, but his time has expired. He can pursue his remarks, of course, with the unanimous consent of the House. Is there agreement?

Some hon. Members: Agreed.

Mr. Mazankowski: Thank you, Mr. Speaker, I also wish to thank the hon. members who have given me this opportunity to conclude my remarks. I reiterate the necessity of upgrading and improving air transportation service, particularly as it relates to western Canada. I also point out at this time that parliament has not had an opportunity of examining the 1971 annual report of Air Canada. I believe there are many areas both the committee and parliament could explore. Many questions remain to be answered, particularly those related to its sales and promotional charges.

• (1250)

I should like also to point out that the approach indicated in the recent policy enunciated by the minister respecting northern development and transportation by land, air and sea is sadly lacking in imagination, particularly with regard to air transport. I believe the policy blatantly disregards the relationship of the province of Alberta to the development of a uniform and effective northwestern transportation policy. The plan advances seven key recommendations. I believe that to disregard the province of Alberta, particularly the city of Edmonton, in this over-all approach to overcoming some of our transportation problems in northern Canada is an error.

I do not think it is expounding any far-fetched dream to say that Edmonton will some day become the gateway to the north, for that is an established fact today. The province of Alberta accounts for about 27 per cent of western Canada's personal income, 28 per cent of its population, 33 per cent of its net value of production, 32 per cent of total private and public investment, and 49 per cent of its mineral production. In terms of future potential of resource development and industrialization, Edmonton is indeed the hub of industrial activity. Edmonton is the fastest growing city in Canada. It is the provincial capital and the largest city in Alberta.

In assessing his transportation policy as it relates to northwestern Canada, I hope the Minister of Transport will reconsider the importance that the city of Edmonton and the province of Alberta will play in the development of an over-all policy. I know that we in the west are vitally concerned about the transportation needs of this country. We are very much aware of the need for improving our transportation services to the north. I hope that in the over-all assessment the minister is now undertaking, this matter will be taken into consideration, so that the north will grow in co-ordination with the facilities we presently have in Alberta, and in so doing create a much better system for all modes of transport.

Mr. Drury: Mr. Speaker, I wonder, with the consent of the House, whether I could call it one o'clock?

Mr. Speaker: Is it the wish of the House that the Chair call it one o'clock?

Some hon. Members: Agreed.

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

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, in rising to respond to this motion I will be directing my remarks principally to the observations made by the hon. member for York South (Mr. Lewis), the mover of the motion. In listening to him, I was interested to hear an exposé of the ultimate almost in pure socialist doctrine. It was pure in the sense that it was theoretically doctrinaire. However, it was inpure in that it was disguised. One heard none of the slogans or none rather of the usual terminology which is employed in putting forward these claims; but nevertheless the underlying philosophy was the same. It appears to be based on the premise that nobody can accomplish anything or more particularly that no one can do anything as well as governments. I shall say a few more words about this later on. But quite clearly, the criticisms as outlined in the motion itself of government policy and its record with regard to Crown corporations can have been made only because of lack of knowledge. The government has, in fact, been most creative in developing new Crown corporations and in modifying the purposes of existing corporations which have both economic and social purposes. If I may, I should like to lay before the House a brief outline of policy developments in recent years. Then, I wish to go on to give a few examples of the very considerable achievements of Crown corporations in recent years.

In part of his peroration the hon. member for York South called for "more public involvement and public

investment". One measure of this involvement, of course, is investment itself. Let us take a quick look at the record. The most recent published public accounts, those for the year 1971-72, showed the total of government advances, loans and investments in Crown corporations stood at $11,998 million on March 31, 1972, almost $12 billion in advances, loans and investments in Crown corporations. This compares with an amount of only $4,468 million of $4½ billion ten years before and with about $8 billion as of March 31, 1968.

We thus have seen a 50 per cent increase in the government's net investment—I emphasize net investment—in the last five years and more than a 250 per cent investment in the last ten years. I stress that this is a net investment since each year the government receives repayments on earlier loans and each year makes new loans. Yet, over the years in question the investment has grown after repayment in this very striking way.

Another measure of such involvement is legislative activity. I would like now to spend a few moments on that topic. As hon. members will see, the government has been very active in establishing new corporations and in adapting existing ones to meet a wide range of special needs. In the period from 1963 to 1972, legislation was presented to create among others, the following new Crown corporations: in 1963, the Economic Council of Canada; in 1966, the Company of Young Canadians; in 1966, the National Arts Centre; in 1967, the Canada Deposit Insurance Corporation; in 1967, the Canadian Film Development Corporation; in 1967, the Cape Breton Development Corporation; in 1967, the National Museum of Canada; in 1969, the Freshwater Fish Marketing Corporation; in 1970, the Canadian Salt Fish Corporation; in 1972, the Pilotage Authorities, the Atlantic, Laurentian, Great Lakes and Pacific; and in 1972, Uranium Canada Limited.

• (1410)

I shall have time later to mention only some of the accomplishments of some of these new corporations in their early years, but I ask hon. members at this time to note the names on this list. They will then appreciate, I am sure, that the government has had the insight to see the Crown corporation not just as a device with application in the economic sphere. They will note that this list includes new ventures in the social and cultural spheres as well. I submit, Mr. Speaker, that the criticism contained in the resolution alleging a lack of public involvement has no foundation whatsoever in fact.

In addition to legislation establishing new corporations, there has been much legislation to expand and modify the powers of Crown corporations to fill the changing demands of the area they were set up to serve. For instance, in 1964, 1968, 1969 and 1972 legislation was brought in to affect the operations and powers of the Farm Credit Corporation, one of some age and reputation, to allow it to provide credit to groups of three or more farmers. The amendment to provide the Farm Machinery Syndicates Act and to raise the maximum on loans from $20,000 to $40,000 was brought in in 1964, to $80,000 in 1968, and to $100,000 in 1972. The amendment to allow loans to farming corporations and Indians farming on reserves was introduced in 1968.

No one could be unaware of the legislative initiatives which have so greatly increased the capabilities of CMHC in adding to and improving the housing stock available to Canadians. In 1964, long term, low interest loans to non-profit organizations were made possible for the provision of low income rental accommodation, especially for elderly persons. In 1966, the National Housing Act was broadened to provide NHA financing for existing housing generally. In 1967, to stimulate private lenders support for housing, the formula was revised by which the maximum interest rate on NHA loans is established. Together with concurrent amendments to the Bank Act, this change spurred a return to the mortgage market by chartered banks. In 1973, extensive amendments to the NHA were introduced to the House of Commons in Bill C-135. These relate to government goals in the fields of low income housing, neighbourhood improvement, land assembly, new communities, and consumer protection, and also in 1973, the residential mortgage financing act was introduced to create the federal mortgage exchange corporation, a new Crown corporation, in order to provide additional financing mechanisms and institutions for the residential mortgage market in Canada.

The motion sponsored by the hon. member for York South (Mr. Lewis), in addition to dealing with Crown corporations in general, made allusions to two specific topics, namely, that the government had given preferential treatment to private corporations in the field of public transportation, and that the government had divested itself of certain holdings. I expect that my colleague, the Minister of Transport (Mr. Marchand), will examine specifically the alleged criticism in relation to the field of public transportation. I, myself, would like to deal briefly with the complaint made by the hon. member for York South that the government had, if not committed, at least aided and abetted in some general and sinister disservice to the public of Canada by setting up the Canada Development Corporation and then proceeding to encourage its growth and effectiveness.

The hon. member for York South in his peroration exhorted the House to take heed and to avoid a sell-out of Canada. He was rather eloquent on this and indicated that one of the tasks facing Canadians in general and the House in particular was to avoid a sell-out of Canada. He indicated in some way that the establishment of the Canada Development Corporation was such a sell-out. If one has reference to the purpose of the Canada Development Corporation, which does not seem to have been very well understood, it is to:

help develop and maintain strong Canadian controlled and managed corporations in the private sector of the economy and will give Canadians greater opportunities to invest and participate in the economic development of Canada.

So that the purpose for which the Canada Development Corporation was established clearly was to avoid a sell-out of Canada or Canadian resources.

Mr. Knight: You owned Polymer, why did you sell it?

Mr. Drury: If the hon. gentleman would like to hear, let him hold his peace. The Corporation was formed to avoid such a sell-out, and this is not only stated in the articles of incorporation but it is also the way in which it is operating

and the purpose for which it is serving. I would suggest that perhaps the complaint cloaked under the guise of avoiding a sell-out of Canada, what the hon. member for York South and some of his vocal supporters object to, is that it is not a sell-out of Canada, it is a sale by the government—

Some hon. Members: It's a sell-out.

Mr. Drury: —to Canadians. What the hon. member is implying is that Canadians cannot be trusted with these matters; it is only the government which must own and control. Canadians as individuals cannot be trusted.

Some hon. Members: Oh, oh.

Mr. Nielsen: Rubbish.

Mr. Drury: That we, the government, are the sole source of wisdom, the repository of all knowledge and sagacity. Now, Mr. Chairman—

Mr. Knight: Yes, Mr. Speaker, you are at the right meeting.

Mr. Drury: —we are in a Canada where quite clearly the main engine of progress is private creativity, private initiative and private endeavour.

Mr. Knowles (Winnipeg North Centre): I don't know why the Tories want to get rid of you.

Mr. Nielsen: Because he does not believe in what he is saying.

• (1420)

Mr. Drury: The task of government is not to take over the private sector and to run it, but to establish a framework in which Canadians as individuals can grow and flourish. The job of the government is to make it possible for Canadians as individuals—and I include as individuals all the hon. gentlemen sitting opposite me—to have the right to develop as individuals. I do not subscribe to the notion that Canadians should have their creativity, and intelligence, and initiative exercised for them by a government, however well intentioned, however benevolent, however high minded.

The purpose of the Canada Development Corporation was to enable Canadians to operate in an environment where, in the private sector, it would be possible for them to compete on more equal terms than has been the case in the past with the colossi known as multinational corporations. I think that in the past Canada has suffered the disadvantage, in corporate terms, of smallness, of lack of large, effective units.

An hon. Member: You believe in big business, too.

Mr. Drury: Mr. Speaker, when the hon. gentleman says "too" I assume he is referring to his own party. They believe in only one business, and that is government. That is all the business they want, the only business, and it is big business.

Mr. Nielsen: That's funny business.

[Mr. Drury.]

Mr. Drury: Mr. Speaker, in the case of the Canada Development Corporation their object, as I say, is to create an environment, a framework in which Canadians can operate, can compete in the world of industrial organization in which we live, on more equal terms than has been possible in the past. For this, what is needed is a training ground for organizational and entrepreneurial talent in the private sector.

Hitherto the only training grounds, the only areas in which these kinds of skills could be obtained were the other multinational corporations, foreign owned and consequently foreign controlled. I think most Canadians would agree that the time was overdue when this kind of industrial organization should be not only possible for Canadians but practicable for Canadians. It would seem to be the case that the private sector neither had the resources nor the willingness to do this, so the stimulus was provided and the seeds were sown by the government through the agency of a Crown corporation, incidentally another Crown corporation, known as the Canada Development Corporation.

This is a corporation wholly owned by the Crown. All of its shares are owned by the Crown. All of its funding is derived from the Crown. The Crown already had under its control and ownership another corporation known as Polymer.

Mr. Nielsen: Would the minister permit a question?

Mr. Drury: The hon. member for York South—

Mr. Nielsen: Would the minister permit a question?

Mr. Drury: Yes.

Mr. Nielsen: Thanks. He will not disagree with me when I suggest to him that the board of directors of Canada Development Corporation intend to offer a share of the CDC for sale to the public, will he?

Mr. Drury: I would not dispute that such an intention may be in the minds of the directors of the corporation.

Mr. Nielsen: It is; they have said so.

Mr. Drury: At the moment, I am discussing the transfer of Polymer to the Canada Development Corporation. Polymer is a Crown corporation. CDC is a Crown corporation, and a physical operation of the sale by the Crown of one agency to another Crown agency is obviously entirely neutral in financial terms. And for the hon. member for York South to represent this as an unwise expenditure of money either means that he does not understand public finance at all, which I am quite ready to believe, or else he was endeavouring to mislead people, which is something I do not wish to accept. So, I am driven to the conclusion that he does not understand public finance.

An hon. Member: You don't understand it.

Mr. Drury: Mr. Speaker, I think I do understand it, and I deplore, I regret, and I sympathize with the ignorance opposite.

The object of the CDC is to develop the possibilities for a Canadian-owned, a Canadian-controlled corporation to acquire the size, the expertise, the technical know-how to compete effectively in a world dominated to a large degree by multinational corporations. In order to do this, to create such an instrument, it must have tools. Obviously, one of the tools is the Polymer Corporation. With a view to developing this, and to making it grow, it was transferred to the CDC.

There have been a number of suggestions made by the hon. member for York South that in his mind corporations are basically some form of ecclesiastical benefice which the government hands out to individuals or groups of individuals, with a view to making a profit. Apparently this is his vision of the airlines in Canada. According to the hon. member, one should not allocate an area or a route to Canadian Pacific Airlines rather than Air Canada because what is being allocated, to use the vernacular parlance, is gravy, or the gravy train, and if anybody is going to get the gravy train it should be the publicly owned rather than the privately owned airline.

Some hon. Members: Hear, hear!

Mr. Drury: I gather that this kind of distorted reasoning is held by others of his supporters.

Mr. Knowles (Winnipeg North Centre): And some of your own.

Mr. Drury: I suggest that the purpose of Air Canada and Canadian Pacific Airlines is the provision of air services to the Canadian public, and the question in one's mind should be: How can this service be provided most effectively and most efficiently to the public, not an enquiry into who is being granted a favour?

And by looking at it in terms of regarding all corporate activity as a source of money and nothing else, I think the perception of business organization by some hon. members tends to get a little distorted. One must look at the purposes of the CDC. I have already outlined them. I repeat that the purpose of the CDC is to develop an environment in which Canadians, as Canadians, can acquire the skills and the abilities in a practical way to have Canadian control and ownership of our larger resources, in the form of a multinational corporation operating on the world scene. This is not merely an endeavour, as the hon. member for York South would represent, on the part of the government to confer public benefits on a particular group for their enrichment.

• (1430)

The purpose of the Canada Development Corporation has to be considered and one can question whether it is achieving this. If the sole purpose of the CDC is, as alleged, merely to make a profit, then a lot of confusion will result, as it has, in the mind of the hon. member for York South. If the CDC is successful, as I suggest it will be, then it will be possible for Canadians to participate directly not only in the control, which is perhaps partly more properly a function of government in a regulatory sense, but also in the benefits inherent in ownership in their national resources which all too frequently tend to be in the hands of non-Canadians. One should, therefore, support the growth and the success and the future of the Canadian Development Corporation.

In the field of plastics and synthetics in which Polymer has been engaged with a high degree of success for a number of years, there is now the possibility of expansion with the existence of the larger resources of the Canadian Development Corporation. In order to get into the field of pharmacology, the Canadian Development Corporation has acquired Connaught Laboratories in Toronto, with a view to expanding and making it a Canadian controlled operation in the pharmaceutical field.

In the House this morning, the hon. member for York South raised the question of whether the Canadian Development Corporation was contemplating the acquisition of the government's share of Panarctic Oils. This is an organization which, under Canadian control, is engaged in the development of oil and gas deposits in the high Arctic. I am persuaded that most Canadian resources would be brought to assist in this peculiarly and almost unique Canadian endeavour in oil and gas exploration. Everyone, including the hon. member for York South, takes exception to the fact that the bulk of the exploration and development of oil and gas resources in Canada is being done by large corporations which are, in corporate terms, both owned and controlled by non-Canadians. Here is a possibility of an organization which by its charter is now and will be Canadian owned and controlled, moving into and establishing a unique and entirely Canadian presence in this field. This should be welcomed rather than decried.

I think that the hon. gentleman from York South would welcome a Crown corporation wholly owned by the government doing this, although I am not too sure that members of the other party feel that the government should be in anything, and that perhaps Panarctic should be allowed to continue on its own. I welcome the notion that it is possible to bring greater resources to bear on this development through the mechanism of a Canadian controlled operation such as the Canadian Development Corporation setting out to accomplish the very purpose for which it was set up. The criticism, if any, of this is that it must continue to be owned by the government. The hon. member for York South assumes that the government can run things better than the private sector. This is not a belief which I share, Mr. Speaker. There are some fields in which the government can do things better than private interests, and there are others where the private interests can do better than government.

In most of the fields in which government is involved, and which are peculiar to and appropriate for government, they are generally well looked after. Where, however, governments tend to venture into fields—and I do not see the ex-premier of Saskatchewan here nor the Leader of the Official Opposition (Mr. Stanfield) and I would have liked to recall to them the success some other forms of government have had in fields where the private sector has demonstrated well established ability to—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. President of the Treasury Board (Mr. Drury) but the time allotted to him has expired.

Mr. Knowles (Winnipeg North Centre): So has he.

Crown Corporations

Mr. Don Blenkarn (Peel South): Mr. Speaker, earlier today we heard from the hon. member for York South (Mr. Lewis) who was not very complimentary to the CPR. Frankly, many times members of this party are not too complimentary either, but I would say to him, through you, Mr. Speaker, that if we did not have Canadian Pacific Airlines flying into Ottawa, transportation to this city would become a horror show. Air Canada does not seem to want to look after people coming to the capital city unless it suits it.

Having talked to many people in the air travel business, I am well aware of the high-handed attitude of Air Canada. This has been brought out in questions addressed to the Minister of Transport (Mr. Marchand) in this House in connection with the price of air charters. In the travel field, it is necessary to have private competition in order to drive down and keep down prices, while at the same time giving the service that Canadians require.

In his speech, the President of the Treasury Board (Mr. Drury) has advised this House that the government now has $11.9 billion invested in Crown corporations. I wonder if any investor ever invested so much money and received so little return. A great deal has been said about Crown corporations, but surely the reason for the Canadian Development Corporation cannot be solely its use as an executive school to train people for executive jobs. If that corporation is to have any validity, surely it should be out developing Canada, making it possible for Canadians to own Canada and helping Canada to go forward as a nation.

Mr. Speaker, I want to apologize to you for a question I put to the right hon. Prime Minister (Mr. Trudeau) two days ago when I asked him whether there was any justification for the sale to the Canadian Development Corporation of Polymer at $42 million less than the book value. Since that time I have had occasion to examine the balance sheets of Polymer Corporation going back for a number of years, and I have determined that in the last balance sheet that is available to the members of the House the difference is not $42 million but $55 million. The book value of Polymer, at the close of business on December 31, was $117,801,000. This corporation was sold for $62 million. I intend to go into that matter later this afternoon.

• (1440)

I want to make it clear that my party is not opposed to Crown corporations or public corporations. Nevertheless, the activities involving CDC and Polymer Corporation are a sorry mess. This must be brought to the attention of the House and of the people of Canada. When I say that my party is not opposed to the development of Crown corporations, let me remind you, Sir, and the members of the House, that it was my party which created the Hydroelectric Power Commission of Ontario, and the Canadian Broadcasting Corporation. It is my party that is prepared to examine priorities in Canada and, if necessary, but only if necessary, to create a Crown corporation to do a job that Canadians think should be done. Let me say this, as well. It will be my party that will look every day at Crown corporations and make sure they are doing their jobs. If necessary, we will institute reforms, to make sure that the sorts of things which have happened in the last little while between Polymer and Canadian Development Corporation do not continue to happen in the public service.

[Mr. Knowles (Winnipeg North Centre).]

I referred earlier to the financial statement of Polymer Corporation and the consolidated balance sheet of December 31, 1971. I say that we should have available the December 31, 1972 statement. Perhaps, Mr. Speaker, you will realize why we have not received it. I intend to comment on that as well.

In the statement of February 11, 1972 for the period ending December 31, 1971, the shareholders' equity in the corporation, that being the value accruing to the people of Canada, as asserted by the Auditor General and by Peat, Marwick, Mitchell and Co., chartered accounts, was $117,801,000. This corporation, belonging to the people of Canada, was sold to Canada Development Corporation for $62 million. Normally when you look at a balance sheet, you look for the assets of a corporation. This corporation has been operating since the early 1950's.

An hon. Member: It was operating before then.

Mr. Blenkarn: On looking at the corporation's balance sheet, you will find that the corporation owned lands and buildings that cost $254 million odd. The accumulated capital cost allowance or depreciation with respect to that item alone is listed at $92,372,000. Even if one allows for such capital cost allowances, or for depreciation to put it another way, and allows for the fact that this corporation owned land and buildings purchase way back I do not know when, one must be realistic. The market value of those lands and buildings, in view of the inflation that has taken place, must have been considerably more than that set out in the corporate balance sheet.

I am unhappy that the hon. member for York South sometimes referred to as the deputy leader of this government, is not here. He knows quite a bit about corporate balance sheets. Throughout the election campaign he talked about corporate bums, tax surpluses, and that sort of thing. He was looking into balance sheets and saying, "If you really wanted to look into this balance sheet, you would find that there is a big profit there that is not being taxed." In the normal course, if a company such as Polymer were put on the market, it would not be sold for its book value; it would be sold for many times book value. It would be sold on the basis of asset value, its prospects and productivity. But, the corporation in question was sold for $55 million less than its book value on December 31, 1971.

May I refer hon. members of the House to section 39 of the Canada Development Corporation Act, which provides that the governor in council may sell or cause to be sold a corporation at such fair and reasonable price as may be agreed upon. It lists Polymer Corporation and two or three other corporations. When we asked the President of the Treasury Board about this matter which was raised in the Miscellaneous Estimates Committee, we learned that a certain amount of departmental analysis had been done with respect to Polymer Corporation, and that the department had brought in a private appraiser. You may remember, Mr. Speaker, that when I asked the Prime Minister (Mr. Trudeau) about this the other day, he said that he would look into this private evaluation, and per-

haps he would table it but perhaps he would not. We have looked into this question and found that a profit analysis was done. We are wondering about this. What kind of game is being played?

Is this corporation worth only $62 million? Because, if this is all it is worth, then annual report after annual report filed in this House, audited reports, press releases and fancy annual returns which have indicated the great profitability of Polymer Corporation, are not correct. If this corporation, Mr. Speaker, was worth only $62 million, it is clear that this House, this country and all of us have been lied to for years and years. This is what the Prime Minister says; this is what the President of the Treasury Board now says. He says we have been lied to. It was only worth $62 million all along. The $92 million worth of fixed assets in lands and buildings which the corporation owned, according to the audited statement presented to this House, do not mean a thing. The fact that the shareholders' equity was $117,800,000 does not mean a thing. The corporation was only worth $62 million.

One begins to wonder at the figures connected with the alteration in the price of that corporation. This was a cute deal. It provides that the price can go up if the performance of Polymer in 1973 and 1974 is satisfactory. And how do the people involved measure that performance? First, those involved in this deal suggest that companies are now being valued at four times earnings. Everybody knows, Mr. Speaker, that every corporation, even a poorly organized corporation, even Bell Telephone, is valued at about ten times earnings. Corporations that are involved in research and development are usually valued at close to 20 times earnings. But this corporation sold for a fair and reasonable price in accordance with the statutes of this country, is valued at four times earnings. The price may go up $10 million if the company earns $2.5 million after taxes in the years mentioned. Mr. Speaker, there is something rotten here.

• (1450)

I wonder what this government has to hide. We know, Mr. Speaker, that the Minister of Supply and Services (Mr. Goyer) has had the financial statement of the Polymer Corporation since early February. What does he want to do with it? He wants to hide it. He does not want to show it. He is afraid to bring it forth.

[*Translation*]

Mr. Goyer: I rise on a question of privilege, Mr. Speaker.

Mr. Deputy Speaker: The hon. minister on a question of privilege.

Mr. Goyer: I informed the House this morning that I have not received the annual report of the Polymer Corporation, and I would ask the hon. member to withdraw his allegations.

[*English*]

Mr. Blenkarn: Mr. Speaker, I will withdraw my allegations when the financial statement, audited by the Auditor General of Canada, is made available to members of this House of commons as required by the Financial Administration Act. Allegations were made while the minister was looking after some penal institutions and other things for this government. Now, they have him looking after properties. This is most interesting.

I said that in 1969 the Polymer corporation made a profit of $13 million. Since then, the profitability of the corporation has declined. According to the financial statement presented for last year, the profitability was not that great. Surely, we on this side of the House and the people of Canada are entitled to know how the government is dealing with our assets. We are entitled to financial statements and reports.

We have to look into the game that is being played with the Canada Development Corporation. It is quite a game. The reason for the Canada Development Corporation is clear. It is a method of having a public corporation that does not have to report to parliament and, therefore, the people of Canada. That can be the only raison d'être for this enormous fiasco.

What happened? We had a member of the board of the Canada Development Corporation buy another company, Venturetek. Did we worry about the price-earning ratios there? Did we worry about the asset values in the Venturetek deal? No. As a matter of fact, we put $4.5 million into Venturetek without any indication of possible profitability. Did we have proper appraisals of fair and reasonable prices for Venturetek or were they the same kind of fair and reasonable prices that were paid for Polymer? It does not appear that way to this side. Of course, the government may have the answers. The government should present those answers to this House. The government has all sorts of opportunities to do that, but they do not because this is a game. There is something hidden here and that is what we are concerned about.

I want to mention the Connaught Laboratory purchase. That was a good purchase, but after all, that lab was owned by the University of Toronto. Perhaps all we should have done was to have made a grant to the university for work. We just have the assimilation of another public corporation which has gone behind the Canada Development Corporation for perhaps no other purpose than to hide the activities of it.

If we are going to have public corporations, they must be accountable to parliament. We have had too much of this hanky-panky; too many buried statements and no answers. Possibly the idea was to sell Polymer to the Canada Development Corporation to sweeten the pot and bury some of their bad mistakes so that when the shares of the Canada Development Corporation are put on the market the corporation will have a balance sheet to talk about. Surely, public corporations must be accountable to parliament and parliament has to see what is there. I am sure my friends to the left will agree with that.

We have to develop a new industrial strategy for this country. That does not necessarily mean that the corporations which are part of that strategy must be public corporations. This party believes in private enterprise. This party believes it is the duty of the government to make the best possible climate for business, the growth of business and the growth of individuality within our nation.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise to take part in this debate on the motion introduced by the hon. member for York South (Mr. Lewis) with a great deal of pleasure, especially after hearing the remarks of the President of the Treasury Board (Mr. Drury). I had to think of his official title because, when I closed my eyes and listened to him, I thought he was addressing the members as though he was addressing a meeting of the board of directors of the Power Corporation of Canada. I never heard such an outlandish sell-out as we heard from the minister today. It was absolutely incredible the way he talked about what should happen to public corporations in their relations with the Canada Development Corporation. In fact, he said those corporations which are owned by the entire population of Canada would be turned over to the Canada Development Corporation, and a select few investors would then have de facto control over those corporations. That is what I wish to speak on today.

The bill establishing the Canada Development Corporation was discussed in the House in 1971. It was a notoriously bad bill from its inception. The Liberal majority pushed the legislation through. The New Democratic Party was opposed. During the proceedings, NDP members presented several amendments, but to no avail. Some of them were very interesting. For instance, the hon. member for Waterloo (Mr. Saltsman) wanted the corporation to be a crown corporation directly responsible to parliament through a ministry so that this corporation might serve the Canadian people. Needless to say, when the amendment came to a vote, the Tories joined their Liberal friends on this issue and defeated this sensible amendment. The old line parties again stuck together to make the Canada Development Corporation entirely ineffective.

The hon. member for Waterloo made one final pitch, proposing that the word "company" be replaced by "Canadian nation", signifying that this celebrated corporation should serve the Canadian people. And, of course, again the friends of the corporations, the Liberals and the Tories, joined hands to defeat the amendment. The immense difficulty with the present Canada Development Corporation lies in the fact that it proposes to use public funds without any control by the taxpayers of Canada, through a responsible federal minister to parliament. On top of that, the legislation establishing the corporation allows it to acquire control of already existing crown corporations. In other words, what is in public hands in Canada—and that is not very much—can pass to private profiteers disguised by the glorious name of the Canada Development Corporation. As the best outline of that methodology we had the speech by the President of the Treasury Board to this House today. In terms of the interests of the people of Canada, that speech was outrageous.

• (1500)

Who is running this so-called Canada Development Corporation? Again I refer to the NDP objections made in this House of Commons on December 29, 1971, by the hon. member for Winnipeg North Centre (Mr. Knowles) who moved a motion that the directors of the CDC divest themselves of their directorships in private corporations. Needless to say the hon. member's motion was defeated. Here are some of the reasons it was defeated. Who are the directors of the Canada Development Corporation? Let us begin with the chairman, Mr. H. A. Hampson, former director of Laurentide Corporation—some people call them "loan sharks"—of Capital Dynamics Management and of the Power Corporation of Canada; I repeat, the Power Corporation of Canada. Of course, Mr. Hampson divested himself of these interests, but let us remember that his friends remained behind to ensure that business would keep booming in case there should be an eventual return to his former position.

Another director is Mr. Louis Desmarais, who is also a director of Canada Steamship Lines, Davie Shipbuilding and Blue Bonnets Raceway. His brother of greater fame if the Desmarais who is a member of the board of directors of the Power Corporation of Canada. Lately little brother has joined big brother on the board of directors of the Power Corporation of Canada. Then we have Mr. F. H. Sherman, well connected with the Bank of Nova Scotia, Dofasco and Polymer. Dofasco is the corporation which lately has been running ads over the radio saying they have a wonderful relationship with the government, that they take one of their employees, show him how government works and then they take him back. I wonder what kind of information he takes back with him. Then there is Mr. H. H. McCain, chief owner of McCain Foods Limited and half a dozen subsidiaries struggling hard to replace the Irving family as the barons of New Brunswick. These are all members of the board of directors of the Canada Development Corporation.

There is one more, who may seem a relatively innocent member of the board of directors of the Canada Development Corporation, a Mrs. L. Thür, vice-rector of the University of Quebec. You may assume that this is a sort of token representative from the academic community; but if you check into it, Mr. Speaker, you will find that she happens to be a director of Bell Canada, that profit-tapping corporation which profits from operating telephone lines in Canada. Let us not speak of her marital connection with Mr. Thür, who is none other than a former member of the Economic Council of Canada and presently holds a senior position in the Department of Finance.

I will name one more individual, Douglas Kendall. He has had fairly good connections. He was once with Hermes Electronics and de Havilland Aircraft, but more remarkably is a former executive officer with Venturetek, now derected by his impoverished son. Last fall the Canada Development Corporation invested $4.5 million in Vanturetek. Legally speaking it was an investment by the CDC and, I am sure, not a family self-help project from a good father to a delighted son. There may have been some other assistance provided through this great venture by the board of directors of the CDC because Mr. Tony Hampson, chairman of the board, undoubtedly agreed to that transaction. He is a good friend of Mr. Kendall senior and has been from the time they served on the General Adjustment and Assistance Board.

When this issue arose during the election our leader, the hon. member for York South, raised hell, as he should.

Even the Leader of the Opposition (Mr. Stanfield) got into the act and said that CDC operations should be suspended. But he failed to remember that the Tory party joined with the old-line party across the way to defeat every substantive amendment moved by this party to put teeth into the CDC and turn it into a true Crown corporation that would buy Canada back. Hon. members seem to forget that.

Obviously, Mr. Speaker, the CDC needs capital. The $250 million given to it by the federal government would not go far enough. They need capital to invest in companies in which the CDC directors at least have a sentimental interest. Where do you get the capital that is needed? From the prosperous Crown corporations. CDC has already gulped up Polymer, though I hope parliament will have the last say on that matter, as well as on the CDC's intention to get the 45 per cent federal interest in Panarctic. We heard the President of the Treasury Board outline the method to be used, which I find outrageous. Then from Panarctic we can move to the idea of swallowing up Eldorado Mines and other public corporations. So we have the basic situation that companies are being taken from the people of Canada, turned over to the CDC and passed into the hands of vested interests; let there be no mistake about that.

We in the NDP are not interested in giving away the little public holdings that we do have to a dubious Canada Development Corporation where public interest may be reduced to a mere 10 mer cent of the shares. We want to keep the Crown corporations that we have, and indeed we want to see more of them. Let there be no mistaking where this party stands on that issue.

During my introductory remarks I mentioned several names and several corporations which are linked directly and sometimes indirectly, with the Canada Development Corporation. I wish I had time to establish a more complete picture, but to be brief all I have to say is that in the time of Caesar all roads led to Rome. In the time of Trudeau all roads lead to the Power Corporation of Canada.

What is the Power Corporation of Canada? It is a rather intimate club of Canadian businessmen who obviously decided to get some extra cash from a small investment. It is a holding corporation, so that they do not have to pay income tax. Let me restate that: They have to pay a little income tax. In 1966 they contributed to the welfare of Canada a total of $48,000 in the form of income tax on profits in the previous five years of $62.3 million. Mr. Speaker, if only the ordinary taxpayer of Canada could get such a favourable income tax rate!

There is nothing illegal about this; it is simply the fact that the present tax laws of Canada as passed by the Liberal party and supported by the Tory party as represented by the hon. member for Edmonton West (Mr. Lambert), the former financial critic of that party, allow a corporation such as the Power Corporation of Canada, that great friend of the Liberal party, to get a corporate rip-off the extent of which the Canadian people have never seen before.

• (1510)

Mr. Speaker, I assure the House that the corporation is a club of somebody's. It has its claws all over the place. It has related directorships with all kinds of federal bodies such as the Bank of Canada, the DREE advisory board, the advisory board to the Minister of Industry, Trade and Commerce, GATT, and of course the Canada Development Corporation. If I had more time I would reconstitute the cobweb in which the spider is the Power Corporation of Canada. Instead, I ask you, Mr. Speaker, to bear with me and allow me to table in this House of Commons a little chart which I drew up in my spare time after the general election. It is an outline of the corporate welfare state in Canada and all its complications in respect of that great protector, the Liberal party, with the Power Corporation in the middle and the advisory boards all around it. Mr. Speaker, perhaps you would give a ruling on whether I may table this chart.

The Acting Speaker (Mr. Boulanger): Order. I do not think the hon. member really requires a ruling on that matter: he should know that there is no possibility of depositing this document on the table.

Mr. Knight: In view of that ruling, Mr. Speaker, I will ensure that this corporate welfare state map is hung up in the lobby, or at least distributed for the interest of the people of Canada. It is a very interesting map. I want to point out some of the things related to it. The chart contains several rather interesting names of former and not so former politicians, such as the Hon. Mitchell Sharp, Secretary of State for External Affairs, and that very interesting defender of corporations, the Hon. Bud Drury, President of the Treasury Board. And, Mr. Speaker, if we wanted to name Mr. Ross we might even wish to read into the chart the name of the Minister of Finance (Mr. Turner). We might also name the Hon. Jimmy Sinclair. I shall not draw any conclusions from that name but will leave it to your imagination, Mr. Speaker. There are well known western names, such as the Hon. E. C. Manning, Director of Canadian Pacific Investments and Canadian Imperial Bank of Commerce. There is also the Hon. Duff Roblin, director of Canadian Pacific Investments and Montreal Trust Company.

Some hon. Members: Hear, hear!

Mr. Knight: There they are, applauding: the same old gang. On top of that we have the Hon. John Robarts, who is a director of the Power Corporation of Canada; that good protector of the little man, Bell Canada, and the Imperial Bank of Commerce. Then there is Senator Molson, and many other senators. I could go on down the list of names.

In this chart there are the names of 44 corporations. These corporations, together with their subsidiaries, make a total of 383 corporate entities. This is not very many, I admit: it is less than one-fifth of a per cent of all corporations in Canada. However, in many respects their impor- taxes. for the years 1968-71 represent 13.1 per cent of all parties, is quite remarkable. Their book profits after taxes, for the years 1968-71 represent 13.1 per cent of all corporate profits, a mere $3.1 billion! When it comes to deferred taxes, the select group around the Power Corpo-

ration of Canada does even better. By the end of 1971 that group had accumulated $1.1 billion in deferred taxes, which are in fact interest-free loans compliments of the government of Canada, or a gift of the taxpayers of Canada. That is a corporate rip-off. It represents 30.7 per cent of deferred taxes in respect of all corporations in Canada.

This select group pays income tax, some of them more, some of them less and some of them not ar all. On the average they paid, between 1968 and 1971, a pitiful 17.3 per cent of net earnings, whereas the theoretical rate was then slightly over 50 per cent. Finally and more directly, the federal government favours this Power Corporation club by direct grants and subsidies. Between 1965 and 1971 it received a total of $151 million in grants, which represents 13.8 per cent of all federal grants to corporations—this to this cozy little group with its cozy relationship to the Canada Development Corporation which is defended to the bitter end by the President of the Treasury Board. In a strict scientific sense, these statistics do not give absolute proof of causality between being a corporate member of the Power Corporation family and receiving preferential treatment from the federal government. The absolute proof would be possible only if the elite corporations opened their books for public inspection and if the old parties did the same.

What we know for certain is that Mr. R. G. Renkin, Ontario provincial chairman for the Liberal party red carnation fund, said publicly on February 14, 1972, in Ottawa that the Liberal party has operated for many years on the support of 95 major Canadian corporations. That is quite a disclosure and is something we have been saying for a long time. The tie today between all the advisory boards and the Canada Development Corporation with the Power Corporation of Canada is an outline of the kind of tie we see between big business and big government regardless of which of the old-line parties sits to the right of the Speaker.

I do not have a single quote from the Tory bagman, but please not the press statement by the Leader of the Official Opposition a few days ago on the position of the Tory party in respect of the corporate rip-off. A few days ago he made a grandiose speech in Regina saying that those who voted for the New Democrats were sold out by the New Democrats. Then he comes back to Ottawa and makes another grandiose speech saying, "Well, we cannot really hurt our corporate friends, can we, now?" That is why the people of Saskatchewan voted for the New Democrats. I hope the Leader of the Official Opposition remembers that.

The official version of the happy association of the federal government with its corporate masters reads like a dream. It is a gentleman's agreement. On December 29, 1971, the then minister of finance, Mr. Benson, innocently told the House of Commons:

> The fact that the gentlemen who are directors of the CDC have directorships in other corporations, and had them before they became directors of CDC, indicates that they are people of first-class quality and we want them to direct the CDC—

This is outrageous. The CDC ought to be disbanded.

The Acting Speaker (Mr. Boulanger): Order. I must advise the hon. member that his time has expired.

[Mr. Knight.]

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am always sorry to see such important matters dealt with so quickly. I am not blaming anyone; I know that we are all under pressure and do not have enough time to prepare speeches that might be of great use in giving a direction to Canadian politics.

Mr. Speaker, the motion of the New Democratic Party reads as follows:

[*English*]

> That this House regrets the failure of the government to develop policies to create and operate Crown corporations for the benefit of the public, and condemns the government for divesting itself of its holdings and giving preferential treatment to private corporations in the field of public transportation to the detriment of corporations which belong to the people of Canada.

[*Translation*]

There can be no doubt that this motion involves some extremely serious principles. There is a whole philosophy to be examined, but, unfortunately, I see this problem brought down to a few specific cases or incidents, or to matters that have nothing to do with Crown corporations.

I am sorry to have missed this morning's speech by my hon. colleague, the member for Vegreville (Mr. Mazankowski); unfortunately, I had a delegation in my office and was unable to be in the House. I am sorry because I should have liked to know the points of view of all the parties, although I suppose I shall hear them in due course.

I should therefore like to speak on this subject at a level that will, I hope, clarify the debate, and also to explain at least my position, if not necessarily that of the government on this basic problem of the relations of Crown corporations with the government and with private enterprise.

Why are Crown corporations created, Mr. Speaker? It is not because there were socialist governments in Canada, but simply because one day, for one reason or another, the state felt it had to set up an institution to safeguard the interest of the public at a time when no private corporation was interested in establishing that institution, or the nature or purpose of that institution was so closely related to public interest that we could not leave that institution in private hands.

Why, for example, was Air Canada created? The founder of Air Canada, if my memory serves me well, was the Right Hon. C. D. Howe and his socialist tendencies were very limited. He certainly did not do it because he felt aviation should be controlled by the state but undoubtedly because he saw that aviation was developing at a very rapid pace in the world and no private corporation wanted to run the risks; so a Crown corporation was created which was called Trans-Canada Air Lines.

Let us review the history of Crown corporations. Why was Polymer Corporation created? It is not because C. D. Howe had turned socialist but because nobody wanted to invest large amounts of money in a new product. If I remember well, it was synthetic rubber at the time of the war and that is how the government of Canada created Polymer Corporation.

I think it would be useful at this time to recall what some people had to say to remind us of the principles underlying the establishment of certain Crown corporations as well as some minor but very interesting contradictions in the history of our Crown corporation.

Lord Morrison of Lambeth gave this definition of a Crown corporation:

• (1520)

[*English*]

If we establish the public corporation, it must be for certain reasons. What are they? They are that we seek to combine the principle of public accountability, of a consciousness on the part of the undertaking that it is working for the nation and not for sectional interests, with the liveliness, initiative, and a considerable degree of the freedom of a quick moving and progressive business enterprise. Either that is the case for the public corporation, or there is no case at all.

A Conservative member said in the House in 1949, and this may be referred to by hon. gentlemen on the other side of the House:

The official opposition—

Which was Conservative at that time.

—does not believe in Crown corporations. We think that is one method of getting away from control by parliament.

This member was, a few years later, a member of the Diefenbaker cabinet which was responsible for the creation of an entirely new Crown corporation, the Canadian World Exhibition Corporation, and for a large increase in the operations of a number of Crown corporations, including the one that provoked the speech just quoted and was accused by the now official opposition of frustrating the efforts of parliament to exercise control. The same administration was accused of "doing its best to tear down the Crown corporations of the country".

Although the majority of Crown corporations were set up under Liberal governments, Canadian National Railways, the Canadian Broadcasting Corporation, the Bank of Canada and the Canadian Wheat Board were in origin creations of Conservative governments.

[*Translation*]

So there was no particular principle underlying the creation of those corporations. Indeed, if we consider their background, we will recognize that they are not based on any given philosophy. Their founders have acknowledged just the same that public interest was at stake and that some institutions had to be created to protect it.

Now, to deal a little closer with the subject which I want to discuss, I will say that if public interest was involved and that a corporation was developed thanks to the money of Canadian citizens who financed it, who made good its deficits and provided some capital, this corporation could not be considered as a private enterprise. It deserves special protection because it specifically exists to uphold and protect the public interest.

People may complain that we are using public funds, but why for example did private enterprise not provide the millions of dollars required when Air Canada was created? Because it was too risky as indeed it was to produce synthetic rubber.

We know that transportation, especially air transportation, is now vitally important for all countries, particularly for Canada. Why? Our country being so big and having so little population, it would be appreciably weakened if we did not have a rapid air transportation system. Furthermore, I think Canada could not exist today without fast communications in the east, west, north and south and the only way to achieve this end is to have aircraft—jet aircraft.

As it happens, there are more than two companies operating in this field, that is CP Air and Air Canada. We also have regional carriers which as private enterprise are operating simultaneously with government corporations.

From the domestic point of view, I would not be against regional carriers. I think we need companies of lesser importance and in a better position to look after the more remote regions, whereas the larger companies are operating on a wider scale on medium and long trips. Therefore, I do not intend to criticize regional carriers.

Can a government monopoly be dangerous on the international level? I would say since it cannot even exist. International competition is between countries and not necessarily between two national companies. For instance, if there were only one intercontinental airline in Canada, it still would have to compete with Air France, BOAC, Sabena, Lufthansa and other companies.

Now, it so happens in Canada, and this is born out by history, that there are two companies: Air Canada and CP Air. CP Air was supposed to serve western Canada, Asia, Australia, Japan, Hong Kong and extend to that part of the world west of the Vancouver coast. Air Canada was supposed to serve the other part of the world; up to 1960, it had absolute monopoly on the main air routes in Canada.

Some guidelines have been established. One of them concerns domestic transport and a good case can be made for it. It is said that Air Canada should have at least 75 per cent of the Canadian market, while CP Air should get no more than 25 per cent of it. Predominance was to be preserved for Air Canada. This is true of the Canadian market, but not of the international market. In fact, from an international point of view, there are no limits, and unless the policy is well defined, the situation could be reversed, that is Air Canada could become eventually less important than CP Air. For instance, if the 800 million people of China were to start travelling tomorrow, the company would become a really important one.

Mr. Speaker, I believe that on this point, we have to be careful. In my opinion, Air Canada should remain the important company in Canada, and not only from a Canadian standpoint, but also from an international standpoint. It should remain our most important company and, on the other hand, it should not tolerate competition from another company on the same routes; CP Air having been given the right to serve Japan and China, if Air Canada is given the right to serve Hong Kong, even if it is claimed that they are not the same countries, this is competition, because CP Air serves Amsterdam and Air Canada serves London and Paris.

• (1530)

[*English*]

Mr. Mazankowski: What are you going to do about Milan?

Mr. Marchand (Langelier): This is not the problem of Milan today. We are now talking about Crown corporations. I do not care about Milan or Peking. What I care about is that the share of the market for Air Canada should be a larger one; this is what is important.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): We may decide to rationalize all this and change a few things, but I think that Air Canada should remain the main international Canadian airline, just as Air France is the main French airline, just as BOAC is the main airline of Great Britain, just as Alitalia is the main Italian airline, and just as Lufthansa is the main German airline. This is the place that I personally want for Air Canada.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): This is why, when today we are restricted to Milan or Peking, I think that this is too restrictive. What we should have and what I hope we will have in the not too distant future is a general policy that will make it possible for everybody, even for CP Air, to know exactly where they stand and exactly what their markets are, a policy that will establish once and for all that the most important international airline for Canada is Air Canada. This is not new. We shall attempt to distribute routes according to these general principles.

[*Translation*]

Several Crown corporations are under my department. Nothing has been said about them at all. Corporate rip offs and representations of large corporations to the government consultative committees have been discussed. I could have mentioned several councils with worker and trade union representation.

[*English*]

Mr. Harney: Mr. Speaker, could I ask the minister a question?

The Acting Speaker (Mr. Boulanger): Does the minister agree to answer a question?

Mr. Marchand (Langelier): I have only 20 minutes. If the hon. member wants to ask it quickly, I will answer if I can; unless of course he wants me to make a second speech.

The Acting Speaker (Mr. Boulanger): Whatever happens, somebody has to say yes or no.

Mr. Marchand (Langelier): Yes.

The Acting Speaker (Mr. Boulanger): Order. This means that the minister has agreed to accept a question.

Mr. Harney: The minister was about to say, or suggest that there were vast numbers of advisory councils in the government on which a vast number of trade unionists sit. Could he enlighten us by giving some enumeration of these advisory councils which contain vast numbers of trade unionists?

[Mr. Marchand (Langelier).]

[*Translation*]

Mr. Marchand (Langelier): There are several, and very important ones at that!

I did not mention any "vast representation"; I referred to trade union representation and the member for Scarborough West should not make me waste one instant because he knows it is true. He knows that the trade unions are represented on the Economic Council of Canada. He also knows that the trade unions are represented on the Unemployment Insurance Commission Advisory Committee. He knows that the trade unions sit on all the advisory committees of the Department of Manpower and Immigration. The trade unions have been represented in all commercial delegations. A former vice-president of the Labour Congress of Canada could supply the list.

I do not mean that capitalists have no influence in Canada, they do have influence and we agree on this but so have the trade unions. This was not my point. The point is to know whether the private sector wields sufficient influence to have the government decide in its favour regardless of the common good and this is the area to be discussed. Everyone knows that private enterprise has the upper hand in Canada. Everyone knows that, including the NDP governments elected in British Columbia, in Manitoba or in Saskatchewan. The premiers of those provinces have stated publicly that they are not against private enterprise. They fear they might lose a vote. The hon. leader of the NDP stated: I do not want to be a doctrinaire. I agree with him and I would have said the same thing. However, let nobody come and tell me that we created the capitalistic private enterprise. It was there! It is there as well for Mr. Schreyer, Mr. Barrett and Mr. Blakeney. Of course, "they play ball with them". However, these governments manage so that private decisions affect government decisions as little as possible. That is where the problem lies.

Instead of telling us that capitalists are represented on committees, perhaps it would be better to find out cases where decisions have been affected by the presence of these people, at the expense of public interest. That is the point which I am concerned about. Everything else is but "electoral chit-chat".

Mr. Speaker, I am not allergic to Crown corporations; I am rather for them. For instance, the Northern Transportation Company Ltd. has developed the Mackenzie area up to the Arctic; not one private business had dared to make investments in northern transportation, because it was not profitable. Therefore, a very efficient corporation was created which assists us in developing the Canadian North. This corporation belongs to the people of Canada and must be protected in order to meet its obligations. Of course, it must be efficient. Certainly it is so. When companies are not efficient, the government is not interested in protecting them and then, there is a very easy procedure: management must be changed.

For instance, the National Harbours Board has played and continues to play a very important part in the growth

of our country's economy. Harbours are institutions of public interest. There are private habours but they are of no public importance. Who has taken the necessary steps to move the grain? Who takes care of port facilities for containerized shipping? It's the National Harbours Board.

The St. Lawrence Seaway Authority is also a Crown corporation. Nobody would have paid hundreds of millions of dollars to open up that seaway, to promote trading with the Great Lakes area and the United States and to link central Canada with the Atlantic.

Mr. Speaker, a company set up in such circumstances deserves to be protected to the extent that it is efficient and performs its duties.

Now there is the whole field of railways: the Canadian National and the Canadian Pacific. That is probably the main subject of any debate dealing with transport. Here again, I believe the opposition should tell us about its policy positions. Should a company like the Canadian National, for instance, be exclusively profit-oriented? I say no, Mr. Speaker. I say that the Canadian National should be efficient, should conduct research, should try to be forward-looking in railway transportation. Only the Canadian National, like any Canadian railway company, has a public responsibility. Consequently, it often has to provide service at a loss in certain areas. And that is part of our concept of transportation in Canada and gives us an idea of what a Crown corporation should be.

If railway companies keep on abandoning so-called uneconomic services, a day will come when there will be trains only in Montreal and Toronto, because those are the only two cities with enough population to make railways economic, which makes no sense at all. Since certain institutions have a public duty to perform, they must assume directly or through the government financial responsibilities that a private company surely could not take on.

Mr. Speaker, I know that I will run out of time. It is that—

The Acting Speaker (Mr. Boulanger): Order.

Mr. Marchand (Langelier): I knew that you were going to interrupt me.

The Acting Speaker (Mr. Boulanger): I must point out to the hon. minister that I gave him two or three more minutes. Does the House agree to allow a few more minutes to the hon. minister?

Some hon. Members: Agreed.

Mr. Marchand (Langelier): If only you had resisted the temptation two minutes more, I could have finished my remarks, Mr. Speaker.

I merely want to add that it is certainly not the opinion of most Canadians that our corporations should be nationalized just for the fun of it, that smoothly running corporations, not state-owned, making normal profits and developing normally should be transformed into Crown corporations. I believe no one, even those who claim to be socialists, would call for nationalization of all our corporations. I have never heard such a contention brought forward, even by NDP members, since the CCC manifesto in Regina.

However, I feel that an economy such as ours calls for a certain number of government corporations, occupying a privileged place and, although they are functioning properly, allowed by the government to perform the tasks they were created for. They must be efficient. Obviously, if a bureaucracy forms in these corporations and cannot be dislodged, there must be means of changing it and renewing the management. We have our philosophy on this, Mr. Speaker. If private enterprise goes in where it thinks it can make money, it does so at its own risk. But in the government sector, we must safeguard the public interest.

There is, however, one slight distinction that remains to be made, and I shall finish on this, Mr. Speaker. I am not saying that private interest automatically and necessarily overlooks the public interest, but simply that that is not its prime concern. Its first concern is to make a profit, after which it can start to take account of other values such as the public interest. It is the other way round for a Crown corporation: its first concern is the public interest, but at the same time it must try to be efficient and economically viable, to show that people can act on motives other than profit. It can also act to be of service to the public. Such, Mr. Speaker, is the aim that I set myself with regard to the Crown corporations under my administration. I shall not try to weaken them. On the contrary, I am going to try to make them stronger and more efficient and to do what I can to make them give better service to the public of Canada.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should have preferred to speak before the Minister of Transport (Mr. Marchand) because I intend to deal with a question on which I should have liked to get some answers, but I bow to the requirements of protocol and ministerial priority.

I am nevertheless encouraged, because the minister has suggested that the Crown corporation I am going to criticize was created expressly to protect the interests of the Canadian public and to serve it.

I simply seek the protection of a certain sector of the public—that which I represent—and I want it to go on getting the service it needs.

[*English*]

I welcome this opportunity, Mr. Speaker, to address parliament about Crown corporations and service to the public because it gives me the means of registering a public protest against the failure of one of our Crown corporations to provide the full service expected by members of the community—

Mr. Marchand (Langelier): Excuse me, Mr. Speaker. There is nothing personal, but I have to leave and I want to be sure the hon. member does not think it is because he is speaking. I have an engagement in my office.

Mr. Munro (Esquimalt-Saanich): As I was saying, it gives me the means to protest against the failure of one of our Crown corporations to provide the service expected by members of the community which I have the honour to represent in company with my colleague the hon. member for Victoria (Mr. McKinnon).

My argument is to the effect that just by being a public or a Crown corporation does not make the enterprise faultless or white and pure. However, before getting to that matter I should like to say a word or two about the motion itself. The initiators of this motion are taking aim at private corporations and are, I suggest, intent on promoting the notion that all corporate activity and enterprise in this country should be nationalized.

In the same breath that they use to advocate this socializing theory, they protest violently against big, monopolistic corporations. Monopolistic monoliths, Mr. Speaker, are creatures of man that all too readily can become monsters whether they be private or public, nationalized corporations. Nationalized monopolies can be just as great a menace and can disregard the public interest just as conclusively and effectively as a monopolistic private enterprise. They can be just as difficult to move.

It is my personal conviction, after examining all the evidence, that as a general proposition the public interest is best served by competition and that competition can be between private and public companies or between private and socialized companies, although I do not see competition between socialized companies and nationalized companies.

The hon. member for York South (Mr. Lewis) and his colleague in the New Democratic Party suggested that the nationalized corporation is the good guy and the private corporation the bad guy. Let me give the House just one instance of how the good guy can get at the throat of the bad guy, all in the knowledge that any shortfall the good guy may suffer will be made up by a generous parliament, which in the end means the generous public, the public of Canada.

Let me detail what is happening in my area. My colleague, the hon. member for Vegreville (Mr. Mazankowski), has spoken of the dangers of a monopoly public utility failing to give service. Here is an instance. An island people is heavily reliant on transport, not just to receive all it needs and to ship excess goods to market but also to maintain personal touch with the mainland. Our island, Vancouver Island, is no exception. We have our commercial and personal needs to be fulfilled. Developments are in train, however, that cause us grave misgivings. These developments are in the hands of the government, or a government agency, to control. I suggest, in fact, that too little is being done to safeguard the requirements of the population of Vancouver Island.

• (1550)

For over one month I have been trying to get satisfaction from one or other of the articulations of the minister's department. I am referring to a scheme I have heard about to reduce air service facilities between the island and the mainland. Let me give you the following by way of background, Mr. Speaker. The last ferry leaves the Saanich peninsula for the mainland at nine o'clock p.m. Travel time from shore to shore is one hour and 20 minutes. The last flight at present leaves Victoria airport for Vancouver airport at 23.35. Travel time, airport to airport, is 20 minutes. The first ferry leaves the island for the mainland at seven o'clock in the morning. The first air service now leaves Victoria airport for the mainland at five minutes after seven. That is Air Canada flight 170; and I am not making a commercial, as you will soon appreciate.

Thus, as things now stand, between half past eleven at night and seven in the morning there is no way of getting to the mainland. To parody the comment, "the continent is cut off," made in Britain whenever fog closes in and disrupts flights and sailings to France, Belgium and other places, we do not want to isolate the mainland, Mr. Speaker: we like to preserve contact with the mainland. Seriously, however, we may need, early any morning, to get to the mainland for reasons of business, family matters, illness, and so on.

The seven o'clock flight is a good one. It is operated by Air Canada, a publicly-owned corporation, and has been well patronized. I am told by a reliable informant that the flight carries on the average between 35 and 40 passengers daily and the aircraft has a full load seating capacity of about 48 passengers. As I say, it is a well patronized service. Now we hear that Air Canada is threatening to eliminate that service. This is the public utility so highly praised by hon. members to my left. As at the end of April, that service may well disappear, to the detriment of the inhabitants of the island who for one valid reason or another may want to go over early to the mainland.

I have been doing what I can to ensure that this service continues. At first I got in touch with Air Canada. The service is not being eliminated, I was told; it will be supplied by the flight of another airline scheduled to leave at 8.15, one hour and 15 minutes later. That service, moreover, at present is already well booked. However Air Canada might wish to describe it, that existing service will be dropped if present plans are carried through. As Air Canada now sees it, there will be no flight from Victoria to Vancouver until 8.15.

I next appealed to the Canadian Transport Commission. To this plea I have so far had no response, which makes me wonder how the CTC operates as a regulatory body. Is it responsible for ensuring that service to the public is maintained? I regret very much that the minister is no longer present. I hope he will read my questions in *Hansard* and will in due course reply. Has that commission any regulatory control over schedules? I feel I am entitled to know this and the population of the island is entitled to know it. And if it does not have this regulatory power, where do I turn to ensure that the mainland's isolation is not prolonged unduly each morning and does not extend beyond the present seven and a half to eight hours?

What are some of the other consequences of dropping this service? Many Vancouver islanders have business or even tourist's interests in the east and overseas. What results will they feel from the elimination of flight 170 from Victoria which leaves at seven o'clock? Well may I ask that question. I have looked at the air schedule. At present, if a passenger leaves on that flight from Victoria he can, should he so desire, catch the following eastbound flights from Vancouver to Toronto, Ottawa or Montreal.

There are two CPA flights leaving Vancouver at 8.35 and nine o'clock respectively, and an Air Canada flight leaving at 8.20. By being unable to leave Victoria on that early flight, the passenger would obviously miss the first of these; he could not get away from the island until 8.15

and he would miss the CPA flight leaving Vancouver at 8.35. He might miss the second CPA flight at nine o'clock because of delays involved in transferring from one flight to another, in offloading luggage, and so on. He would miss the Air Canada flight that is most convenient for me, the one that comes straight to Ottawa. Having been made to miss two CPA flights and one Air Canada flight, he would be forced to wait for the Air Canada flight which does not leave until 9.15.

The Prime Minister (Mr. Trudeau) and the Minister of Transport (Mr. Marchand), in fact all ministers and most executives these days, claim that they want to maintain the widest possible range of options. Why should executives, even backbench executives in the opposition, have their options reduced? I say the flight at seven o'clock from the island ought to be maintained. If I, for example, were able to catch the flight at 8.35 operated by CP Air from Vancouver, I could be in Ottawa at half past four. Unless I spend the night, at some cost, in Vancouver waiting for the 8.15 flight from Victoria, I will be forced to catch the 9.15 flight leaving Vancouver and I would not get here until half past six, one hour and a half later. I like the options the way they were. Surely Air Canada should be required to serve the public need: it is a national, public utility as we heard eloquently expressed in this House today and it should not be permitted to eliminate a well patronized scheduled flight from the island.

But that is not all, Mr. Speaker. What about travellers going in other directions? Remember, arrival in Vancouver by the early flight is 7.25 at present. If that service is eliminated, it will not be possible to get to Vancouver until 8.35. As well, there are departures for Mexico in the morning, by that villain CP Air. One flight leaves at 7.45. You might just catch it if you left Victoria at seven o'clock. Or you may have to wait until the next flight at 2.30 in the afternoon. You may wish to go to Hawaii or the South Pacific. If so, departure time is 8.30. If you leave the island at seven o'clock you can catch that flight. If you must wait until 8.15 you would miss it, and there is not another flight until the next day. Of course, the flights to the South Pacific are all operated by Canadian Pacific Air Lines.

I am wondering if it is not possible to draw certain inferences from these considerations. I submit that there is room in all this to infer that Canada's national public carrier is not serving the national interest—I hope the proponents of nationalization are listening—at my end of the country inasmuch as it is not fulfilling the requirement to provide a much needed service. The 8.15 service, incidentally, is not to be provided by a public service but by another private service, Pacific Western, the airline which was mentioned this morning by my colleague from Vegreville. The first Air Canada flight to Vancouver will not be in the air until 10.30. I think this is deplorable. If this is public service, I think I will opt for private service. That sort of performance is unacceptable to those whom I represent on southern Vancouver Island. If Air Canada is a public service in the true sense of the word, it ought to provide the service needed by the public in the area in which it is operating. It will be obvious from the foregoing, Mr. Speaker, that I disagree with the initiators of this motion on certain aspects of the matter which they are putting forward. Nationalized monopolies, as I think I have shown, are not my bag. We are heading for trouble if we head in that direction, as has been suggested.

I share the misgivings that hon. members have expressed with respect to Polymer and with respect to the government's policies affecting that corporation. I am particularly disturbed to see Polymer disappear. I have a soft spot in my heart for Polymer, because Polymer gave me my Master's degree by providing me with an early model of Crown corporations on which I could base my Master's thesis. The concept was a good one, although it could be improved. However, it was an enterprise that ought to have been confined to specific areas of activity and allowed to occupy a monopolistic position only in special circumstances, such as the wartime emergency situation which gave birth to Polymer when the need for rubber was absolutely essential.

• (1600)

Many are the failures of this government which we on this side of the House regret. Many of its policies we condemn. Among them is its failure to bring forward to this House measures that will halt inflation and reduce unemployment. In the context of this motion, we condemn not only the government on these grounds but for having divested itself of its holdings in Polymer. Even more, Mr. Speaker, we condemn the government for the way in which they have done this, by refusing to give a proper accounting to this House which created Polymer in 1940 or 1941 and which was once headed by a frontbencher on the other side of the House. There was no annual report, no profit and loss statement and no statement of assets and liabilities at the time of sale. Talk about questionable practices, Mr. Speaker, when one public corporation ingests another without let or hindrance—by Your Honour's leave, I avoid some forms of language—and without a report after the event except by an entry in the estimates! We have reached the stage of monogopoly, where one monopoly gulps up another. We have come, indeed, to a sorry pass. I sometimes think of that concept of life when I try to work out what happens when a snake consumes itself from its tail. What happens when it starts to swallow its stomach?

I will go along the road of condemnation with the NDP that far, the road which we have been invited to take, the road of condemning the government on the manner of its handling Polymer.

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I would like to inform the House of events that led to the sale of Polymer Corporation Limited to the Canada Development Corporation and summarize the role played by the Minister of Supply and Services in accordance with his responsibilities as the minister responsible for Polymer Corporation Limited up to the point of sale. Parliament approved in principle the sale of Polymer Corporation Limited to the Canada Development Corporation by virtue of section 39(1) of the Canada Development Corporation Act, which provides:

> The Governor in Council may sell or cause to be sold to the company, at such fair and reasonable price as may be agreed upon by the Governor in Council and the company, the whole or any part of the capital stock of any or all of the following:
>
> (a) Polymer Corporation Limited;

(b) Eldorado Nuclear Limited;

(c) Panarctic Oils Ltd., and

(d) Northern Transportation Company Limited but subject, in the case of the capital stock of Panarctic Oils Ltd., to any agreements relating to the sale of capital stock held by the Crown.

The Canada Development Corporation Act became effective November 18, 1971. Subsequently, the government authorized the Minister of Supply and Services to undertake negotiations with the Canada Development Corporation for the sale of Polymer Corporation. The following considerations were taken into account in pursuing the sale of the company. The original rationale for the existence of Polymer as a domestic producer of a strategic material in a national defence context no longer existed. We must remember that the government's objective in establishing Polymer Corporation in May of 1942 was to remedy a shortage of natural rubber as a strategic wartime material. However, for some years it has appeared that this need is no longer evident. In fact, Polymer evolved into a multinational producer-marketer. It had been profitable over the years, but profits had been subject to fairly wide swings and at the time of sale were on the decline.

To protect its earnings base, the company sought to diversify into non-rubber lines. This diversification and the large capital requirements that it entailed could best be met by a change in ownership which would provide for access to private financing and freedom of business choice. The vehicle best suited for providing immediate response to its capital needs and ensuring that the benefits of ownership continue to accrue to all Canadians had already been envisaged by parliament when the Canada Development Corporation was created.

On the other hand, if Polymer had not been sold and had continued as essentially a synthetic rubber business rather than allowed to diversify, it would likely have ceased to be a profitable business, being faced with an increasingly competitive situation and higher raw material costs. It would, therefore, have become a charge upon the public treasury, which would not have been in the best interest of Canadian taxpayers. Again, if Polymer had not been sold, but allowed to diversify, Polymer could have been placed in direct competition with a range of Canadian enterprises in the private sector; and the government did not feel that it should become involved in a host of varied enterprises such as building materials, soft drinks, snowmobiles or even underwear, for that matter.

Taking all of these factors into consideration, it then seemed desirable to proceed with the sale. The remaining question was one of arriving at a fair and reasonable price to both parties. The negotiated price which was agreed upon was arrived at with reference to several valuations, one of which had been provided by the firm of Wood Gundy Limited. Terms and conditions of the sale included the payment of $62 million in the form of Canada Development Corporation shares, and a formula whereby the government of Canada will share in 1973 and 1974 earnings over a certain level of rubber, latex and plastics up to an additional payment of $10 million.

The government approved the sale on July 27, 1972, which is contained in the relevant order in council PC 1972-1715 of that date. The sale became effective July 31, 1972, and subsequently the shares held by the Minister of Supply and Services were delivered to the Canada Development Corporation upon payment of $62 million in the form of Canada Development Corporation shares. Accordingly, the responsibilities of the Minister of Supply and Services as minister responsible for Polymer Corporation ceased as of July 31, 1972, the effective date of sale.

• (1610)

It is my considered opinion that the decision to sell Polymer is a valid one, that the price arrived at was fair and reasonable based on the best information available at the time, and that the method of conducting the sale was correct. Furthermore, I am convinced that with the active support of the Canadian Development Corporation, Polymer will be provided with a flexible and businesslike framework in the profitable pursuit of its objectives as a Canadian-based multinational company. It also seems to me that the acquisition of an experienced and reputable organization such as Polymer will provide the Canadian Development Corporation with a cornerstone to pursue its own investment strategy.

Mr. John Harney (Scarborough West): Mr. Speaker, I should like to begin by giving the House a little information that I have been able to gather since the Minister of Transport (Mr. Marchand) spoke just a few minutes ago on the question of labour representation on various advisory bodies or boards of directors of Crown corporations in this country. I do not want to try to put words into his mouth by suggesting he was saying that there were large numbers of labour people on these bodies, but at the same time he certainly left the impression that there were considerable numbers of labour people on them. I for one, as well as many other people in this country, would like to challenge this view, because it is very apparent that where there is labour representation it is very much of a token nature. I have before me this afternoon very few documents but I thought by reading from them I might help set part of the record straight. If the Minister of Transport wishes to complete the record at some other time, I invite him to do so.

I have a list of the directors of Polymer Corporation. There are ten directors. Of these ten directors there is one who comes from the labour movement. Indeed, broadly speaking we could say that there is only one person who comes from the community at large; the rest of the directors, of course, are from the corporate community.

With regard to the Canada Development Corporation, the list discloses 21 directors. The hon. member for Assiniboia (Mr. Knight) entertained the House a while ago with their background, so I shall not do the same. I simply say that of those 21 directors there is one from the labour movement. If this is representation, I call it token representation.

I have gone back over the list of directors of Polymer Corporation since 1948, and a few years ago the case was not the same at all. There were no representatives from the labour movement or community at large on the board of directors of such corporations, particularly this one. It is nice to know that there has been a change of heart. We realize that there are such things as legitimate labour unions in this country which have the right to be repre-

sented on boards of directors and advisory councils of various enterprises run directly or indirectly by this government and parliament.

Where before there were none, we now have one representative out of ten, one out of 20, one out of 18—token representation. It is highly reminiscent of what happened a number of years ago when we in North America watched television ads that in most cases were produced in the United States and failed to see at any time a black person taking part in a television commercial. Over the past three or four years there has been a change of heart and we have come to admit in North America that black people do live here. In order to bend to this change of heart, the commercial interests in this country now every once in a while play black people in commercials in recognition that they form part of our population.

The same approach of tokenism is used on boards of directors of publicly-owned corporations in this country. I am not talking at the moment about privately-owned corporations: I am sure it is a rare case indeed when a privately-owned corporation gets someone from the union to sit on its board. I am talking about publicly-owned corporations and advisory bodies set up by and for this parliament.

These remarks are not going to be the burden of my address this afternoon, if I can call it an address. I want to address myself to the whole question of the motion that is before the House, a motion that can be paraphrased in cruder language as the sell-out of the public of Canada's interests to the private corporate interests of this country.

In the past we have had reason to be proud of our crown corporations. Indeed, if you go back, Mr. Speaker, over the history of reports that have come to this parliament from, for example, Polymer Corporation, there is a note of constant and well deserved pride in the success, prosperity and usefulness of a Crown corporation such as Polymer. I have taken the time to go back over reports across the years but I will not read extensively from them. Let me simply say that we have in the Library of Parliament a bound volume of reports issued by Polymer Corporation.

It touches one's heart a little when one looks at some of the earlier reports. For example, the report to the minister of reconstruction and supply for the 12-month period ending March 31, 1948, is typewritten. How humble, how spartan; but at the same time, how complete! Reading through the report you get more than pictures; you get more than general statements. You get accurate descriptions of the goings on and procedures of the corporation. As a matter of fact, the more you move forward through the history of the corporation, the glossier the documents get and the vaguer they become. I do not want to be very conservative in my attitudes, but it is sometimes worth while to go back to a simpler, more direct world, a world where you can find information that is more complete than is the case now, with all the help and advice our various corporations receive from various PR flaks.

About two and a half years ago there was a sudden creation by fiat of a rather large category of persons in this country. Overnight, a large section of our population became the bleeding hearts of Canada. The bleeding hearts of Canada were said to have very little power, and indeed they have very little power. But they have some power of comment. I am told by the National Association of Bleeding Hearts that some time last year they thought they would state their presence in this country by offering a medal, an order so to speak, which they called the Order of the Lily Liver. They were bound to offer the Order of the Lily Liver to the government of the day. It was awarded for its daring, perhaps what we would call its temerity, its bravery in taking an idea such as the idea of the Canada Development Corporation, which was supposed to be the medium through which the people of Canada would have gained, first of all, some control and power over the corporate processes of this country and begun to regain Canadian control over the industry and economy of Canada.

What is the first thing that the Canada Development Corporation does? It takes over a corporation that is already fully Canadian and fully owned by the people of Canada—Polymer Corporation. As a second step in its temerity and bravery, what does it do? It takes over Connaught Laboratories, another entity completely in the public realm owned by the University of Toronto, in effect owned by the public of Canada. It was a truly Canadian corporation. It was a very valuable corporation which had an international reputation. This laboratory provided a service not only to Canadians but to people throughout the world through its research in drugs and the provision of inexpensive drugs to hospitals and other institutions in this country. So after taking over Connaught Laboratories, the National Association of Bleeding Hearts decided to give the Order of the Lily Liver, with bar, to the Canada Development Corporation. What they were in effect trying to say was that the original idea had been completely reversed and that the Canada Development Corporation as set up in late 1971 was not the ideal which had been held up for the people of this country to watch and to hope for.

• (1620)

We have had some reference this afternoon to the past, to the days of C. D. Howe. I was walking behind the East Block today at noon when I happened to walk behind the bronze statute of our fifteenth prime minister, Mr. Mackenzie King. He has his hands stuck behind his back. I would almost swear that his fingers were crossed. I thought they were crossed because he was afraid the great spirit of C. D. Howe would storm this Hill today to tell Liberal members of the front benches that they were completely betraying his ideas and his work. In the past, the CCF were not necessarily the great friend of C. D. Howe, but certainly they admired his forthrightness, his energy and his dedication to building Canada. I am sure that if he were to come back today, Mackenzie King in bronze image would have a great deal of reason to cross his fingers, because there would be some mighty scolding of the people who now sit on the front benches.

The Canada Development Corporation can now extend its bravery and take over Panarctic. Perhaps it could take over Eldorado. But before this happens let us stop to consider what we are up to in the ventures of the Canada Development Corporation. The story behind the Crown corporation is that it was to give to the people of Canada some degree of control over their economic destiny. It was

not simply, as has been mentioned in the House this afternoon, to do a job where private interests could not do it: there was something positive in the idea of the Crown corporation which I believe has been completely lost from sight.

Rather than taking over Panarctic and putting it into the hands of CDC which would some day, I am sure, sell it to the private interests of our country, this parliament should take steps to instruct the government to have Panarctic become really and truly controlled by the Canadian people. At the very least we should have 51 per cent control of this enterprise. This enterprise will be a major factor in the exploitation and development of our oil resource in the northland. Surely when it comes to this very scarce and important resource, we want it completely under Canadian control.

When it comes to Eldorado, before we begin handing over Eldorado to the Canada Development Corporation perhaps we should begin by giving it the same treatment that was given to Denison Mines. A few years ago the owner, the president of Denison Mines, threatened to shut down the mine because he could not sell its uranium. An agreement was struck between Denison Mines and the Government of Canada on December 23, 1970, which in effect subsidized Denison Mines to the tune of $29.5 million to cover three-quarters of the cost of uranium stockpiling. The president of Denison Mines, Mr. Roman, had the ingratitude some time afterward to state that he was having a hard time because he had to pay out $6 million or $7 million in losses over the stockpiling. He had the further ingratitude of biting the hand that fed him, or of trying to bite the hand that fed him, by running in the following election.

Mr. Knowles (Winnipeg North Centre): How much did he spend on that?

Mr. Harney: A mere $90,000, a figure for which C. D. Howe would not have had a measurement. But if we can help Denison Mines to that extent, surely we should pay some concern to Eldorado which has received no such subsidy, is now working below capacity and over the past number of months has been forced to lay off workers.

In the time I have left I should like to talk about Polymer more specifically, because it has been the object of concern over the past few days, as it well ought to be. There is an old Latin saying—I do not know whether Latin is an official language in this House or in this country—*caveat emptor*, "Let the buyer beware". In this case the saying should be transformed so that it would be *caveat vendor*, "Let the seller beware". We, the people of Canada, are the people who are selling Polymer Corporation to the Canada Development Corporation and we should beware in respect of the details of the transaction.

This House has been informed this afternoon of certain figures relating to the value of Polymer. I would like to give some more figures of that value. We know that over the years the net assets of Polymer have far exceeded, year by year, the paltry sum which is being offered for it by the Canada Development Corporation. Net assets, less liabilities, for the year 1971 were $163 million. For the year 1970 they were $163 million, for 1969 they were $160 million, and for 1968 they were $155 million. Going away back to the year 1962, the value of the net assets, less liabilities, was $90 million. So even in 1962 it was worth more than the sum now being offered for it in CDC shares. Note that it is in shares, and not dollars. Judging from some of the plans which are being put forward for CDC, we might have a right to question the value of these shares in the future. So we as the vendors certainly ought to beware.

Let us look at the book figures. We know that in the world of corporate transactions, book figures are only part of the picture. There are other ways to calculate the value of Polymer. I need not repeat now that the sale price is between $62 million and $72 million, depending upon the profitability and earnings of Polymer in the next while. But let us look at more effective estimates. There could be three methods of calculating the value of Polymer. We might take the estimated consolidated book value on December 31, 1972, which is $128 million. Then we could add to this the estimated excess depreciation because over the years, of course, Polymer has depreciated its machinery, stock, and so on, and some of this machinery in terms of book value has a zero value although the machinery is still working and is still being used. The machinery still has a value. Everybody in the industrial world knows that you can have a piece of machinery which is totally depreciated, in so far as tax purposes are concerned, while the machinery is still operating, still cranking away and still producing and making very good use of itself.

Method A is that you estimate the consolidated book value as at December 31, 1972, add the estimated excess depreciation and arrive at a figure of $163 million—a cool $101 million above the $62 million. Method B is more commonly used to evaluate corporations and companies. You take the company projection of average earnings, after taxes, for 1973-76, which would be about $16 million, and multiply it by the capitalization factor, discounting growth by 100 per cent, which yields roughly 7 per cent after tax. This is a very conservative set of figures and multipliers. Multiply the effect 14 times. I am striking a middle figure here because we know, as the hon. member for Peel South (Mr. Blenkarn) said a while ago, that ten times is the minimum factor and we know that in the petroleum and petrochemical industry 22 times is the more reasonable figure. So I will take 14 times. That gives you the method B valuation of $224 million. Subtract $62 million from that and you will see that the people of Canada might be losing.

• (1630)

To be even less conservative and go the full range of valuation as it might be carried on in the petrochemical industry, let us use a factor of 22, which is not common. You will have a figure which certainly skyrockets beyond the 14 times, giving you much more than the $224 million valuation for the company I mentioned earlier. So there is a very real and serious gap between the value of this company and the money that has been paid for it.

If it were the case that it was solely a book transfer between a Crown corporation and the Canada Development Corporation which was totally in public hands, then we could say that this is just a matter of a book entry. But it is not so. The Canada Development Corporation will be

putting out shares to the public. And let us not kid ourselves: when we talk about the public we do not talk about Mrs. MacGillivray with a few dollars in her socks; we are talking about people who have the money to invest in the stockmarkets of this country, and that is a limited number of people. We are not talking about people so much as about other corporations, other companies or other institutions. So here we have the possibility of a Canadian Crown corporation being effectively sold for peanuts to the private interests of this country. No wonder that the great spirit of C. D. Howe might shake itself a little on a day like this and come roaring up to this parliament to scold the Liberal frontbenchers.

There are other questions which are involved. They relate to the presentation of the financial report of Polymer. I have gone back over a few years to find out when the financial reports were presented, and I have the dates: 1971, February 11; 1970, February 12; 1965, February 11; 1960, February 21; 1959, February 5. It is now March 23. Indeed, if I may quote the immortal words of the Prime Minister (Mr. Trudeau), "it's spring". Winter has gone by, the winter of our discontent has gone by, and according to the normal pattern we should have a report on this very large and important Crown corporation because there are questions at least, to be asked. Accusations have been made about the Crown corporations which ought to be cleared up fully.

Mr. Nielsen: There are questions to be answered, too.

Mr. Harney: I should like to cite from an Associated Press report which originated in Geneva and reads as follows:

> The International Federation of Chemical and General Workers . . . said Polisar International SA—

That is the international trading company of Polymer.

> —which has an agreement on technology exchange with the Soviet state committee for science and technology, also integrates international cash flows and profits "to minimize taxes and accumulate investment capital for further expansion overseas."

What could be behind this? We all have an idea of how multinational corporations can operate through processes of invoicing so that they can minimize their tax burden. A multinational corporation operating in Canada and producing goods in Canada could be, in effect, selling goods directly to Arkansas through Belgium and therefore, when it invoiced Belgium for a figure less than what they would be invoicing Arkansas, foresaw that the profit made in Canada was small but the profit made in Belgium was large; but it so happens that the tax grab in Belgium is smaller.

It is known that the tax levels in Switzerland are indeed modest; they run at approximately 8 per cent. They even beat us in this country when it comes to letting off the corporations. What we want to see in this parliament is the financial report so we can go into it thoroughly to see what the international trading practices of Polymer have been, because certainly it has been doing business with Polisar, its own subsidiary in Switzerland, and it would be very interesting to know how over the years Polymer has paid taxes effectively to Switzerland which could have been paid to the people of Canada.

Of course, in the past, we did not mind that the directors of Polymer used every legal means at their disposal to reduce the tax burden on Polymer because, after all, we the people of Canada were still the owners of Polymer; so whether we got it in taxes or profits, we still had it. But now the problem is that this company has been sold out and we will be losing out on the back taxes.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have been pleased in today's debate to hear the various arguments put forward—most of which, incidentally, I agree with—concerning the contemptuous action taken by the government with respect to the Polymer and CDC deal. The previous speaker stated in his final remarks how deplorable it was that we have not as yet been given the right to look at Polymer's last annual report.

I feel his comments are particularly appropriate when we bear in mind that up until yesterday we were debating in the House Bill C-133. During that debate I pointed out that I found it was strange that this government would come to parliament and request an increase in the ceiling for CMHC so that it could borrow up to $10 billion, and that they would request the ceiling with respect to the amount of mortgage investment they could insure should be increased to $19 billion; yet they had not given the House the courtesy of presenting to the House the most recent annual statement for CMHC which should have been presented for year ended December 31, 1972. I pointed out that in both respects, the amount of mortgage investment that had been insured and the actual amount of loans advanced to that corporation were significantly lower than their existing ceilings.

I am indeed very surprised, startled and annoyed to be now presented, the day after the debate, with the annual statement for CMHC, bearing in mind that that statement, I suggest, had been deliberately withheld from the House until the bill was passed in principle last night. I would call the attention of the House to the fact that a review of the figures with respect to CMHC reveal all too well why the Trudeau government did not dare introduce that statement prior to the passage of the bill in principle. The fact is CMHC profits have again tumbled. This is the third year in a row that that corporation has borrowed more from the treasury, has increased their assets, has increased their number of employees, but has made less money.

• (1640)

Let me give you the figures, Mr. Speaker. Based on borrowings from the Government of Canada which we find total, as of the end of 1972, $6,166,000,000 compared with borrowings the previous year of $5,600,000,000, we now find that the corporation's after-tax income is $3,182,000 compared with $7,432,000 the year before. Surely that is a significant factor that the House should have been aware of prior to our being asked to give second reading to Bill C-133.

I would suggest, Mr. Speaker, that when we are considering the desirability of Crown corporations we should

keep in mind that, while it may be necessary to have certain Crown corporations for certain services, wherever possible Crown corporations should be divested and put back into the private sector. Let me contrast, for example, the picture in Canada with respect to Central Mortgage and Housing Corporation and the comparable company in the United States which, incidentally, used to be state-owned and which is referred to as the Federal National Mortgage Association. I would point out that that corporation, which is only three times the size of our Central Mortgage and Housing Corporation, has had a sensational growth in profits, 686 per cent in fact, which is due largely to the fact that the American authorities worked out an ingenious plan for returning that corporation back into the private sector.

At the present time on a board of 15, 10 of the board are nominated by the stockholders at large of the corporation. Those stockholders are made up largely of those who use the services of what is called Fannie Mae. I would point out that the company is, first of all, neither a purely private enterprise nor a purely governmental agency but, rather, is a combination of the two. It is ultimately controlled by the President of the United States and it is also charged with the major responsibilities of implementing U.S. housing policies. It is expected to seek profits for its stockholders—I would emphasize that because to me profit is simply the evidence of efficiency. If you do not make profit, in all likelihood it indicates bad, sloppy management.

Fannie Mae is oriented to make profit for the stockholders. It has been renamed once, it has been restructured three times and its mission has been refined and redefined twice. This is something that is long overdue with respect to CMHC. That is a corporation which was set up for one purpose, and rather than being redefined in order to be able to properly cope with the existing problems in Canada, it has been allowed to stay in a stratified, immobile condition; and judging from the current financial statement it is not even serving the government or the people of Canada properly.

In the United States, Fannie Mae has as a principal goal or mission the provision of money to builders and lenders at the most reasonable terms. It services, in short, the savings and loan associations, the banks and insurance companies in that country. I think it is interesting to note that it not only insures mortgages—and this is a recent diversion—but it has gone into the conventional mortgage field in an extremely aggressive way, becoming in effect a type of mortgage exchange where people can buy and sell mortgages of a conventional nature in the United States.

Fannie Mae has risen to her present pre-eminence among mortgage lenders because she managed, in some respects, to escape from federal authorities. In short, she escaped from Basford-type domination. As a government agency, created in 1938, that corporation naturally found it easy to borrow money in the private market to make mortgage loans. I would point out that in our stultified approach to CMHC our government has never, even to this date, allowed CMHC to go into the private sector and raise money.

It takes the easy way out, and that is simply to go to the Minister of Finance and ask for another $100 million or $1 billion, as we have been requested in this House, or perhaps $2 billion and we give them another $2 billion of loaning authority. I emphasize that the comparable company in the United States does not depend on the federal treasury to the extent that CMHC does in this country. The comparable company there is privately financed both as to equity and as to debt.

I would also mention that in order to keep its funds in the black, it has become completely free of government restraints with respect to debt limits. This has put it in the position where, unlike our CMHC which is included in the gross liabilities of Canada, it does not have to be included in calculating the gross liabilities of that country. I would also like to mention that in May, 1970, control of the company's board of directors moved into the hands of some 14,800 private stockholders. The stock, in fact, is now traded on the New York Stock Exchange and has been one of the sensations on that exchange. Its profit and its growth have been so sensational that the public have bought the stock and it has risen from about $5 in 1968 to a current price of over $20. In fact, at one time it went over $25, a fourfold to fivefold increase with respect to that stock.

The profits in that corporation at the present time are running at about $70 million. Imagine! Here is a corporation, privately oriented, that I would suggest is doing an even better job in its field than the comparable company in Canada. It is only three times the size of our corporation, yet it is earning in the area of $70 million compared with our corporation earning $3 million. This is something that those who have such a fondness for Crown corporations should bear in mind. The fact is, government ownership is not the most efficient way to get the proper efficiency in a corporation.

The stockholders in Fannie Mae elect ten of the directors and the President of the United States appoints the other five. The charter granted to the company by the U.S. Congress gives George Romney, as Secretary of Housing and Urban Development, "general regulatory powers" over Fannie Mae affairs, decisions involving dividends, stock issues, total debt and borrowing of money. But, and I would stress this, at all times the company is geared to a profit-making orientation.

• (1650)

I have drawn attention to these similarities or dissimilarities between the Canadian approach with respect to CMHC and the American approach with respect to Fannie Mae, not because I feel there is any particular merit in the U.S. corporation because it is American, but I am simply stating to this House that in considering the motion before us we should bear in mind that Crown corporations are not to be encouraged in further development or expansion. As this parliament progresses we will be able to demonstrate some completely irresponsible activities with respect to some of the Crown corporations that have been either administered, continued or in some cases spawned by the present government. This growth in Crown corporations is something that should be arrested at the earliest possible opportunity.

When we look at the returns produced by Crown corporations in this country, the results are startling. Their total

assets have grown from under $4 billion in 1962 to over $12 billion in 1972. Their earnings, if you pull out debt calculations and the earnings that they can make by the Bank of Canada, which is simply a bookkeeping entry, are something like $70 million. We are talking in some cases about the largest corporations in the land having assets in the aggregate of $12 billion, earning somewhere around $70 million in the aggregate. Some of these corporations in fact have been in a deficit position; yet we find that there is an encouragement, a propensity on the part of the government to inflict still more Crown corporations upon the nation.

Mr. Speaker, I rose only to make a few comments because I feel it is a tragic thing that this country has been so inflicted under the Trudeau government, and I sincerely hope that there will be a trend away from loving Crown corporations.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I see by the clock that I have only five minutes, so I will not be able to go into the details of the speech that I had prepared. I was interested in the remarks of the hon. member for York-Simcoe (Mr. Stevens), who preceded me, in regard to the value of Crown corporations. I believe this typifies the mythology about free enterprise and how it has been the great salvation of the country in the past and will be in the future. Perhaps the hon. gentleman should look at Canadian history and realize that it is a myth to say that this country was developed solely by free enterprise. Let us remember that the great economic ventures in this country were joint ventures between government and the private sector. We find something that seems to be typical of the Canadian businessman, that he lacks the financial wherewithal and the audacity or courage to take risk ventures.

I refer the hon. gentleman to the development of the Canadian Pacific Railway, that great band of steel which united this country from east to west. Was that solely a private enterprise undertaking? We find out that the private enterprisers came crying to the government that they could not make it on their own and needed help, so the taxpayers provided the CPR, that private corporation, with $25 million—that was not peanuts in those days—with 25 million acres of land, and a guarantee that they would face no competition for 25 years. We begin, then, to see in the development of the Canadian economy a partnership between government and private enterprise.

The next great venture in the area of communications was Trans-Canada Airlines. No businessman was interested in developing a national airways, so the Canadian government undertook to develop it for the Canadian people. We have been served very well by Air Canada, despite this government's attempts to undermine it by giving lucrative routes to Canadian Pacific Air lines.

Many unprofitable, small railway systems in Canada were going out of business, which would have deprived the people of northern Ontario and other areas of service. The government decided that service should come before profit, so it took over the railways and amalgamated them with the Canadian National Railways' system, incurring a huge debt but not giving up. The CNR is running efficiently today and making a profit, notwithstanding the fact that it has the huge debt of the private system hanging over it.

Let us not be carried away by the myth that free enterprise alone developed this country. Free enterprise has caused a huge amount of foreign investment in this country to the point where over 60 per cent of the manufacturing is foreign-owned, over 82 per cent of oil and gas wells are foreign-owned, and 99.9 per cent of the petroleum industry is foreign-owned. If we rely solely on foreign private investment, this country will cease to exist in the near future. What we need is a Canadian Development Corporation, not of the sort the Liberal party has, but one that is truly owned by the public of Canada and truly designed to develop Canadian industry, to buy back some of the foreign-owned industry and not to buy up profitable public corporations such as Polymer, Eldorado, and so on.

I urge this House not to fall for this mythology propagated by many members of the Conservative party and many, but not all, of the Liberal party. We need a strong publicly-owned business system in this country. I am thinking of examples we have now. We need a very strong Canadian development corporation to keep Canada for the benefit of Canadians.

The Acting Speaker (Mr. Laniel): Order, please. It is my duty to inform the House that pursuant to section 11 of Standing Order 58, the proceedings on the motion have expired. It being five o'clock, this House stands adjourned until two o'clock Monday afternoon.

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

HOUSE OF COMMONS

Monday, March 26, 1973

The House met at 2 p.m.

HOUSE OF COMMONS

TRIBUTES TO RIGHT HON. MEMBER FOR PRINCE ALBERT ON THIRTY-THIRD ANNIVERSARY AS MEMBER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to call the attention of the House to a very agreeable circumstance in which we find ourselves today. This is, I believe, the thirty-third anniversary of the election to parliament of the right hon. member for Prince Albert (Mr. Diefenbaker).

Some hon. Members: Hear, hear!

Mr. Stanfield: During all these years the right hon. gentleman has played a leading role in the House. In particular, he has been an eloquent spokesman for the rights of the Canadian people and, of course, led the enshrinement of those rights in the Bill of Rights.

I rise today not to speak of the offices the right hon. gentleman has held or the services he has rendered to Canada in those offices but rather to pay my respects to him as a parliamentarian. He is the dean of the House in terms of service. While, of course, he may not speak as rapidly as I speak and while he may not have quite the range of vocabulary of the Prime Minister (Mr. Trudeau)—

Some hon. Members: Oh, oh!

Mr. Stanfield: —nevertheless in terms of forcefulness, clarity, persuasiveness, wit and courage he is certainly the dean of the House not only in terms of service but as a parliamentarian. Earlier in the session, perhaps in a mood of pessimism, he said he did not think he would be here in the year 2030. Sir, he has been here for 33 very fruitful years. On behalf of my colleagues, and I am sure I speak for all members of the House, we congratulate him and extend to him our very best wishes.

Mr. David Lewis (York South): I hope I am in order, Mr. Speaker, in rising to second the wishes the Leader of the Opposition has expressed to the right hon. gentleman from Prince Albert. One of the great attributes of our kind of system is that those of us who disagree with each other politically none the less respect each other for what we accomplish in this House and in the country. I say to you, Mr. Speaker, and to the right hon. gentleman, without any reservation or qualification, that this House could not have had throughout the last 33 years a man of greater eloquence and greater kindness than the right hon. gentleman.

Some hon. Members: Hear, hear!

Mr. Lewis: It is an immense tribute to him, I suggest to you, Sir, that, even at the present time after 33 years, when he rises to speak members in the House listen. They come in from behind the curtains to listen to him, as do members of the press gallery, because his humour, his eloquence and his humanity are still with him and still with us. He is really a great ornament to the parliament of Canada and the parliamentary system generally.

We honour him for his belief in the system. We honour him for his unfailing kindness to all members of the House, particularly those of us who became members long after he came here. He has always made a point of speaking to us and encouraging us. I believe every member of the House wishes him well and is proud to be associated with him in the House of Commons of Canada.

Some hon. Members: Hear, hear!

• (1410)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my colleagues and I wish to concur in the highly laudable words expressed by the hon. Leader of the Official Opposition (Mr. Stanfield) to the dean of this parliament.

I have been interested in the political life of our country since I was very young. I can recall the names of almost all those great Canadians who have been in the political field and who gave their best to serve their country well.

Of course we may hold divergent views on many subjects. Nevertheless, we live in a democratic country and this is what makes the grandeur of our parliamentary institutions. I have always admired what the right hon. member for Prince Albert (Mr. Diefenbaker) has done for the defence of this institution in which we are all working together for the best interests of our country.

I wish to extend to the right hon. member for Prince Albert our best wishes of good health and long life. I hope we may be able to profit from his experience for several more years so that we may better serve our country, if possible.

[*English*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as befits the youngest of the four party leaders in the House, I come last.

Some hon. Members: Oh, oh!

An hon. Member: Prove it.

Mr. Trudeau: I do not even have to invoke a birth certificate to sustain that claim. Personally and humbly, I just want to add my tribute to those expressed by the three previous speakers and, on behalf of the Liberal party and caucus, support the compliments addressed to

the right hon. gentleman from Prince Albert by the spokesmen for the three other parties.

There was another reason why I wanted to speak last. I did want this resolution to be unanimous and I was afraid that had I seconded the Leader of the Opposition it might have given some cause for concern at the other end.

Some hon. Members: Oh, oh!

Mr. Trudeau: Let me just hope, Sir, that the right hon. gentleman will be with us for a long, long while in this parliament and will be the occasion for many unanimous votes of this and of other kinds.

Some hon. Members: Hear, hear!

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, this day starts out with unanimity. I do not know how to express the depth of my feelings. The Prime Minister personally extended to me his good wishes earlier, as did the Leader of the Opposition and members of other parties.

To have been here for 33 years is to have seen something of the greatness of the institution of parliament.

This place, often castigated by cynics, has a mandate for freedom which it has carried out throughout the years in a manner that has done honour to the House of Commons of Canada.

I had not expected that this would have taken place but had it it would have marked an occasion, I would say to the Prime Minister, when I would have spoken in the other official language had he started off in that language, because I have an unusual capacity.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I recall the occasion of a state visit to Mexico when in the aircraft on the way down one of the officials asked me, "Have you got a speech ready?" I said, "No". So he got one ready for me. I studied it, I underlined it, I put marks here, there and other places. I delivered it with gusto. Afterwards on the way into the city of Mexico the chief protocol officer said, "That was a very good speech but we do not speak Portuguese here." Then he added a tribute that I will always remember. He said, "But you speak it with such a fine French Canadian accent."

Whenever I sat in the Prime Minister's place in this chamber and was asked questions in French, I endeavoured to answer them in extenso—

[*Translation*]

"I shall answer this question later".

[*English*]

I find that the ministers of today, Mr. Speaker, although not having difficulty with both languages, still use that formula.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Speaking in all seriousness, I do not know how to express my thanks adequately. Parliament means so much to me, and with the passing years my feeling has been unchanged in the admiration I have for members in all parts of the House who make their contributions sincerely, desirous of bringing about changes within our country for the better.

I thank the Leader of the Opposition (Mr. Stanfield) for his generous words. No one who heard the eloquence with which the hon. member for York South (Mr. Lewis) spoke today, as always, will ever forget that this is parliament, this is where, with only 18 feet of carpet between us, we strive to bring about a better Canada.

To the hon. member for Bellechasse (Mr. Lambert), my appreciation and thanks. Again to the Prime Minister, that something which above everything else makes parliament live to me was epitomized in his message.

I saw the House of Commons first following the fire in 1916 when I was on my way overseas and determined, along with two other young men who went through arts and law with me, to come here some day. They did not return. I saw the grandeur of Parliament Hill, the majestic location. Nowhere in the world is there the equal of it. I hope I do not speak out of turn when I say that I am concerned over the fact that more and more as high buildings are going up this magnificent structure is becoming a pygmy, or if I could invent a word, is being pygmatized. Let us do something now before it is too late.

Some hon. Members: Hear, hear!

• (1420)

Mr. Diefenbaker: Let this House catch something of the tremendous inspiration of Mackenzie King when, having secured the appointment of Jacques Greber, a plan was made that this place would not only exemplify the greatness of freedom but would stand out magnificently.

I walked up Parliament Hill this morning and the thought came to me, how changed it is in more than three decades! I do hope that some action will be taken by parliament before it is too late and that agreement will be reached as a result of the setting up of a committee not only of the Senate and the House of Commons but of the mayor and city of Ottawa to the end that we do not allow this trend that is taking place to continue. If we do, the day will not be far distant when the greatness of the location that Champlain saw will have been obliterated by modern economic change.

I say this to the young members of this House, those who came here with the present parliament. I have seen members come and go throughout the years and in all sincerity I say that I have never witnessed the equal of the group who came here after the last election. They have caught something of what this institution means.

Whatever time is ahead for me, and at my age one realizes it cannot be long, I shall always remember today. Thank you.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

PROTECTION OF ENDANGERED SPECIES BILL

PROVISION FOR PROTECTION OF RARE SPECIES OF ANIMALS IN DANGER OF EXTINCTION

Mr. John Harney (Scarborough West) moved for leave to introduce Bill C-165, respecting the protection of endangered species.

Some hon. Members: Explain.

Mr. Harney: The purpose of this bill, Mr. Speaker, is very simply to prohibit the sale, storage, warehousing and trade in the skins of endangered species in Canada.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

CENTRAL MORTGAGE AND HOUSING CORPORATION PROFITS

Question No. 1—**Mr. Mather:**

1. Is consideration being given to what was the after-tax profit of Central Mortgage and Housing Corporation in 1970 and 1971?

2. Is consideration being given to directing the profits into reducing interest rates?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. The net income of Central Mortgage and Housing Corporation, after payment of income tax, and transferred to the Reserve Fund, was $8.9 million in 1970 and $7.4 million in 1971, resulting in a return of assets of 0.18 per cent in 1970 and 0.13 per cent in 1971. Against this should be offset expenditures on behalf of the Minister of $44.0 million in 1970 and $61.0 million in 1971 for such programs as Housing Research and Community Planning, the forgiveness portion of loans for municipal sewage projects, losses on the operation of public housing projects and arising from federal/provincial agreements, and losses on the sales of mortgages. This resulted in net expenditures by the government of Canada for all these activities of $35.1 million in 1970 and $53.6 million in 1971.

2. The profit position of CMHC is affected by lending at interest rates substantially below market rates, to provinces, non-profit housing associations and others, for such programs as low-rental housing, public housing, land assembly and student housing.

NUMBER OF RETIRED FEDERAL PUBLIC SERVANTS

Question No. 7—**Mr. Knowles (Winnipeg North Centre):**

1. How many retired federal civil servants are receiving pensions, including their basic pensions and any supplement or supplements added thereto, of amounts within each of the following

brackets (a) less than $20 per month (b) $20 to $29.99 per month (c) $30 to $39.99 per month (d) $40 to $49.99 per month (e) $50 to $59.99 per month (f) $60 to $69.99 per month (g) $70 to $79.99 per month (h) $80 to $89.99 per month (i) $90 to $99.99 per month (j) $100 to $149.99 per month (k) $150 to $199.99 per month (l) $200 to $249.99 per month (m) $250 to $299.99 per month (n) $300 per month and over?

2. How many widows of civil servants or of retired civil servants are receiving pensions, including their basic pensions and any supplement or supplements added thereto, of amounts within each of the brackets indicated in the above question?

3. What is the number of retired civil servants and also the number of widows of civil servants or of retired civil servants presently residing in each province?

4. In respect of how many orphans of federal civil servants are pensions being paid and what is the average amount thereof?

Hon. C. M. Drury (President of Treasury Board): 1. and 2. Number of retired federal civil servants and number of widows receiving pensions in the following brackets:

Monthly Dollar Brackets	1. Retired Civil Servants	2. Widows
Less than $ 20	241	792
$ 20.00-$ 29.99	536	1,701
$ 30.00-$ 39.99	1,303	1,814
$ 40.00-$ 49.99	1,728	1,730
$ 50.00-$ 59.99	1,809	1,657
$ 60.00-$ 69.99	1,855	1,427
$ 70.00-$ 79.99	1,832	1,347
$ 80.00-$ 89.99	1,894	1,278
$ 90.00-$ 99.99	1,824	1,159
$100.00-$149.99	7,966	4,504
$150.00-$199.99	5,899	2,084
$200.00-$249.99	4,835	792
$250.00-$299.99	3,909	372
$300.00 and over	10,275	452

3. Number of retired civil servants—widows residing in each province.

Province	Annuitants	Widows
Newfoundland	600	242
Prince Edward Island	284	145
Nova Scotia	2,488	1,170
New Brunswick	1,399	693
Quebec	7,635	4,095
Ontario	19,381	9,024
Manitoba	2,133	934
Saskatchewan	1,355	568
Alberta	2,650	1,091
British Columbia	7,211	2,728
Northwest Territories	36	13
Outside Canada	734	406
Total	45,906	21,109

4. Pensions are being paid to 89 orphans of federal civil servants in the average amount of $271.12 per annum.

Order Paper Questions

NATIONAL REVENUE—ESTABLISHMENT OF CENTRES TO ASSIST TAXPAYERS

Question No. 47—**Mr. Coates:**

1. How many centres will be established across Canada to assist taxpayers in completing new income tax forms and where will the centres be located?

2. Will the centres in question be a part of existing operations or will they be new operations established in new quarters and in each instance (a) what was the cost of securing the quarters (b) what was the total space requirement (c) if not in a federal building, what was the leasing arrangement and the annual rental cost in dollars?

3. What additional staff will be required by the Department of National Revenue in each centre and was the staff drawn in whole or in part from the Department and if additional staff was required (a) what was the number of additional staff at each centre (b) was the additional staff required on a full-time or casual basis (c) what was the total cost in salaries and wages for the added staff?

4. (a) What arrangements were made for the telephone systems that will service the Department and the callers (b) what was the cost for this service at each centre (c) was it a short term arrangement and, if so, when will the service be initiated and when will it cease?

5. Has a similar arrangement been available to taxpayers in any previous taxation year and, if not, for what reason was the decision taken to provide the service for the 1972 taxation year?

Hon. Robert Stanbury (Minister of National Defence): In so far as the Department of National Revenue, Taxation, is concerned: 1. Except for the 28 existing District Taxation Offices no centres will be established in 1973 to assist taxpayers in completing their income tax forms. Taxpayers will be able to contact their District Taxation Office for information either by writing, visiting the office or telephoning free of charge from anywhere in Canada.

2. N/A.

3. N/A.

4. (a) A free long distance telephone service is being provided to permit taxpayers to call District Taxation Offices from anywhere in Canada to obtain assistance in filing their income tax returns. (b) The cost of this service at each District Office will not be known until later in the year, but the over-all cost of the service not including staffing is estimated to be $926,000 for the year 1973. (c) The service commenced January 2, 1973, and is to continue throughout the year.

5. Free long distance telephone service in the past has been limited to a few District Taxation Offices and for a limited time during the peak filing season. The service was expanded for 1973 because the Department feels that all taxpayers, wherever they live in Canada, should have equal access to departmental information services.

CORPORATIONS' "NON-ALLOWABLE CURRENT EXPENSES"

Question No. 207—**Mr. Lewis:**

What were the total amounts and detailed amounts (e.g. contributions to political parties; see p. 33 of Statistics Canada publication "Corporation Taxation Statistics, 1970") reported by corporations for 1970 as "non-allowable current expenses", distributed by nine industry groups and cross-classified by (a) control, foreign or Canadian (b) asset size, under $5 million and over $5 million?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: (a) Information on political donations of corporations for 1970 when reported on their annual income tax returns, as well as total amounts for all "non-allowable current expenses", is provided, by control and for nine industrial divisions, in the attached table. The statistics pertain to those corporations having assets of $250,000 or more or sales of $500,000 or more. (b) Statistics for corporations by asset sizes of under $5 million and over $5 million are not available.

Non-allowable Current Expenses Reported by Corporations[1] by Control, 1970

Industrial Division	Non-allowable current expenses			Political donations included in non-allowable current expenses[2]		
	Foreign Control	Canadian Control	Total	Foreign Control	Canadian Control	Total
	— $'000 —					
Agriculture, forestry and fishing	40	953	993	—	6	6
Mining	7,278	3,666	10,944	55	115	170
Manufacturing	9,565	9,256	18,821	1,099	1,272	2,371
Construction	463	3,426	3,889	74	771	845
Transportation, communication and other utilities	304	3,032	3,336	40	331	371
Wholesale Trade	838	2,891	3,729	24	99	123
Retail Trade	517	2,472	2,989	15	104	119
Finance	14,341	28,865	43,206	136	498	634
Services	607	2,875	3,482	3	353	356
Total all industries	33,953	57,436	91,389	1,446	3,549	4,995

[1]Corporations reporting to CALURA.
[2]As shown on the "Reconciliation of net income per financial statements with taxable income" schedule of corporation T2 returns.

STUDY OF LOW RENTAL HOUSING, BOROUGH OF SCARBOROUGH

Question No. 267—**Mr. Stackhouse:**

Has consideration been given to making a study of the concentration of low rental housing in the Borough of Scarborough by the three levels of government?

[Mr. Drury.]

Hon. Ron Basford (Minister of State for Urban Affairs): The federal government, through the Ministry of State for

Urban Affairs, is proposing the establishment of a system of tri-level consultation involving the government of Canada, the province of Ontario and metropolitan Toronto. The government expects that such consultation would involve all matters concerned with urban growth and urban change—not only the whole question of housing, but also transportation problems, social instability, environmental pollution, inadequacy of public financing and urban form.

EXPULSION OF LIEUTENANT COMMANDER A. MARS FROM MALTA

Question No. 410—**Mr. Wagner:**

1. What action did the government take in response to a request from Lt. Commander Alastair Mars alleging improper treatment and expulsion from Malta?

2. If any actions were taken, what was the response of the Government of Malta?

3. Is it the view of the Canadian Government that Lt. Commander and Mrs. Mars were properly treated by the governmental authorities in Malta?

4. What is the present status of Lt. Commander and Mrs. Mars with the Department of Manpower and Immigration of Canada?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of External Affairs and Manpower and Immigration as follows: 1. Mr. Mars' request was given careful study. After due consideration of all the factors involved, the conclusion was reached that Canada did not have valid grounds on which to make a protest to the government of Malta regarding Mr. Mars, expulsion from Malta on March 13, 1972.

2. Not applicable.

3. The government of Malta acted in accordance with the accepted principle of internation law that permission to enter or remain within a state falls within the jurisdiction of country concerned. It is under no obligation to justify a decision for exclusion of an individual.

4. The Department of Manpower and Immigration has no record of a person by the name of Lt. Commander Alastair Mars.

LAW REFORM COMMISSION

Question No. 537—**Mr. Wagner:**

1. To date, how many reports were submitted to the government by the Law Reform Commission?

2. What were the subjects of such reports and on what dates were they submitted?

3. What amounts were paid since the inception of the Law Reform Commission to January 1, 1973 to each member of the Commission as (a) salary (b) disbursements (c) travelling expenses?

4. Where are the offices of the Law Reform Commission?

5. Since the inception of the Commission to January 1, 1973, what were the costs of operation of each office?

6. What were the names of those requested to submit specific studies to the Commission and, in each case, what amount was paid?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Justice): 1. One.

2. First Annual Report, 1971-72, presented to the Minister of Justice on September 21, 1972 and tabled in the House of Commons on January 15, 1973.

3. Member	(a) Salary	(b) Disbursements	(c) Travelling expenses
Mr. Justice E. Patrick Hartt..... Chairman	nil[1]	nil	
Mr. Justice Antonio Lamer..... Vice-Chairman	nil[1]	nil	
Mr. M. L. Friedland[2]..... Full-time Commissioner	Salary range $28,000 to $34,000	nil	Total for six, $35,302.90
Mr. W. F. Ryan..... Full-time Commissioner		nil	
Mrs. C. Barrette-Joncas..... Part-time Commissioner	$21,450	nil	
Mr. J. D. McAlpine..... Part-time Commissioner	Total	nil	

[1] Judge salary paid pursuant to the Judges' Act.
[2] Until his resignation, on July 1st, 1972.

4. Address of head office: 130 Albert Street, Ottawa, Ontario, K1A 0L6. Address of Québec Regional Office: Suite 1320, Place du Canada Building, Montréal, Québec.

5. Ottawa and Montreal offices not coded separately until 1972/73. Total Operating Cost of both offices to April 1, 1972—$350,209.43; 1972/73 to December 31, 1972 Ottawa, $671,250.52; Montreal, $16,230.99.

6. As the amount of remuneration in the case of each individual or group under contract to produce specific reports to the Commission is negotiated separately, it would not be in the best interests of the Commission or the individual or groups concerned to answer this question as worded. The total money paid however to "outside" researchers during the period was $95,730.

*TELESAT CANADA

Question No. 694—**Mr. MacKay:**

Does the government own common shares of Telesat Canada and, if so (a) how many (b) how much did these shares cost (c) what proportion of the total common shares does the government own (d) what federal agency holds these common shares?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the federal government is a shareholder in Telesat Canada. The answers to the other parts of the question are: (a) three million common shares; (b) $30 million, $10 per share; (c) the government currently holds one half of the shares issued by Telesat Canada and (d) Pursuant to Section 39. (1) of the Telesat Canada Act shares of the company are registered in the books of the company in the name of Her Majesty in right of Canada as represented by the Minister of Finance. More detailed information on the ownership of Telesat Canada is provided in the Telesat Canada Act and in Telesat Canada's annual report for 1972.

Order Paper Questions

OLYMPIC GAMES—FINANCIAL ASSISTANCE

Question No. 710—**Mr. Stackhouse:**

What sources are open to the City of Montreal to obtain financial assistance from the government and which of these have been used in connection with the forthcoming olympic games?

Hon. Ron Basford (Minister of State for Urban Affairs): The sources open to the city of Montreal to obtain financial assistance from the federal government were indicated by the Prime Minister in his statement on the Montreal Olympic Games of 1976 in the House on February 2, 1973. None of these have been used in connection with the forthcoming games.

ARCTIC WEATHER STATION—NWT

Question No. 770—**Mr. Hales:**

1. Did the Department of Transport operate a joint Arctic weather station with the U.S. Weather Bureau at Mould Bay, NWT, Eureka, Ellesmere Island, NWT and Prince Patrick Island and, if so, on what date was the joint arrangement (a) started (b) discontinued?

2. Who controls and operates the weather stations now?

3. What disposition was made of the equipment, food and other supplies owned by the U.S.?

4. Was an inventory taken of the supplies and, if so, on what date?

5. What disposition was made of the cigarettes?

6. Was an order given to destroy the equipment, food, etc. and, if so (a) by whom (b) how was it disposed of (c) what was the estimated value?

7. Was the Canadian Wildlife Service consulted re taking over this equipment?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. Yes. Mould Bay (a) April 11, 1948. (b) November 2, 1971. Eureka (a) April 7, 1947. (b) July 2, 1972. PC 1970-2047 transferred responsibility for operation of these weather stations from the Ministry of Transport to the Department of the Environment.

2. Atmospheric Environment Service, Department of the Environment.

3. With the exception of upper air equipment returned to the United States, they were turned over to the Canadian government.

4. Yes, in July 1971.

5. They were personal property, retained by the Americans.

6. Equipment that was obsolete or beyond repair and suspect food were destroyed. (a) Regional Director, Atmospheric Environment Service, Central Region; (b) local dump; (c) none.

7. No.

BILINGUAL NAMES OF GOVERNMENT AGENCIES

Question No. 798—**Mr. Fortin:**

1. Which government corporations, companies or agencies do not yet have a bilingual name?

2. Which ones received a bilingual name during the past five years?

3. Does the government intend to translate into French the names of corporations still having an English name?

[Mr. Reid.]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. All government corporations, companies or agencies have a bilingual name.

2. Eldora Nuclear Limited, Uranium Canada Limited, Export Development Corporation, Canadian Radio-Television Commission.

3. Not applicable.

LOCAL INITIATIVES PROGRAM

Question No. 862—**Mr. Korchinski:**

1. How many LIP projects were there in each province in 1972?

2. What amount of money was spent in each province in 1972?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. As per Schedule 1, Column 1

2. As per Schedule 1, Column 2

Schedule 1

Local Initiatives Program

No. of Projects approved and Money Spent by Province in Calendar Year 1972

	Total Approved Col. 1	Total Spent Col. 2
		$
Newfoundland	470	10,805,006
Nova Scotia	527	13,180,801
Prince Edward Island	141	2,470,846
New Brunswick	491	11,549,814
Quebec	2,377	77,232,276
Ontario	1,262	28,665,223
Manitoba	278	7,325,244
Saskatchewan	224	5,259,863
Alberta	410	9,904,995
Northwest Territories	36	1,147,917
British Columbia	815	18,880,301
Yukon Territory	24	412,813
Canada Total	7,055	186,835,099

PRINCIPLE OF PREVAILING RATES FOR NURSES IN PUBLIC SERVICE

Question No. 909—**Mr. Forrestall:**

1. Is it the intention of the government to extend the principle of prevailing rates for nurses employed within the Public Service of Canada beyond Level one and, if so, for what reason?

2. Is it the intention of the government to retain such a prevailing rate system for Level one nurses?

Hon. C. M. Drury (President of the Treasury Board): 1 and 2. The government as employer is currently in negotiations with this group and it is not in the interests of either party to reveal what is transpiring at the bargaining table. The two previous collective agreements for

nurses have provided for regional rates at level number one.

CONSTRUCTION OF WHARF AT NEWELLTON

Question No. 945—**Mr. Haliburton:**

1. Have any petitions been received in support of the construction of a wharf at Newellton in the past ten years?

2. Has the Department of Public Works a location plan and a construction plan for the proposed wharf?

3. Has a proposed cost been established for such a structure?

4. Has the Department established a list of priorities for wharf construction in Western Nova Scotia, i.e., west of Halifax and Windsor and, if so (a) what are they (b) what are the design plans?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Yes.

2. Location Plan, Yes; Construction Plan, No.

3. Yes.

4. The Department does not, on its own, establish priorities for wharf construction. Projects are assessed in conjunction with the particular departments concerned, such as the Minister of Transport and the Department of the Environment. Projects are scheduled consistent with the provision of funds by Parliament, are subject to the provision of such funds and the precise timing may change with changing conditions and requirements. The following is the current status of marine projects in Western Nova Scotia: Yarmouth, New Wharf; borings in progress, consultant engaged for design and preparation of plans and specifications. Shag Harbour, Harbour Improvements: borings completed, plans and specifications in progress to Wharf Extension and Ell. Clarke's Harbour, Dredging; Additional borings required to prepare plans and specifications for Class "A" and "B" materials increased mooring area. Tiverton, Wharf Repairs; Plans and specifications being prepared for rebuilding outer 120 feet. Digby, Repairs to Ell; Plans and specifications being prepared to replace existing timber deck with concrete deck. Battery Point (Victoria Beach), Breakwater Repairs; Plans and specifications in progress for repairs outer and south breakwater. Feltzen South, Breakwater Repairs; Plans and specifications in progress for repairs to outer 100 feet of breakwater. Lower Surettes Island, Wharf Repairs; Plans completed, specifications under way for repairs to existing crib block and span sections of the structure.

TENDERS FOR POST OFFICE CALENDARS

Question No. 967—**Mr. Crouse:**

Where public tenders called for the production of 800,000 1973 calendars produced by Métropole Litho Inc. Montréal for L'Agence Canadienne de Publicité on orders of the Post Office Department at a cost of $269,866.20 and, if so (a) how many firms bid on this work (b) what are the amounts of their competitive bids?

Hon. André Ouellet (Postmaster General): Tenders were called for printing by the advertising agency, Agence Canadienne de Publicité. (a) Four. (b) St. Lawrence Lithograving Limited, $156,000; R.B.T. Printing Limited, $185,685; Metropole Litho Inc., $173,790; Ashton Potter Limited, $167,000. The lower bids did not meet specifications.

CANADA WATER ACT—QUALITY MANAGEMENT AREAS

Question No. 977—**Mr. Harding:**

1. How many water quality management areas have been set up since the passage of the Canada Water Act in June 1970?

2. Where and in which province is each water quality management area located?

3. What area does each water quality management area cover?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. No water quality management areas, as defined under Part II of the Canada Water Act, have been set up. However, there are a number of areas covered by federal-provincial agreements under the Act, such as the Great Lakes, where water quality is the principal or one of the main concerns. While these agreements do not invoke the concept of agencies assigned under Part II of the Canada Water Act, they nevertheless have the same basic objective of maintaining and improving water quality. In addition, this Department, in cooperation with several provinces has initiated the development of comprehensive water resource management plans including a water quality management strategy for certain river basins such as the Qu'Appelle, Okanagan and Saint John.

2. See 1.

3. See 1.

FORT NELSON-FORT SIMPSON ROAD, B.C.

Question No. 983—**Mr. Oberle:**

1. Who are the contractors on behalf of the government for the Fort Nelson-Fort Simpson Road in B.C.?

2. What is the total amount of the contract?

3. How much work has been carried out to date?

4. When is further work on that road to resume?

5. What is the proposed completion date?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Since the section of the Fort Nelson-Fort Simpson road in British Columbia is under the jurisdiction of the province, the federal government does not have any contractual or planning data relative to it.

2. N/A.

3. N/A.

4. N/A.

5. N/A.

DEPARTMENT OF COMMUNICATIONS PERSONNEL

Question No. 985—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of Communications?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of Communications?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Order Paper Questions

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): In so far as the Department of Communications is concerned: 1. Full time employees as of January 31, 1970—1,326.

2. Statistics not available.

3. Full time employees as of January 31, 1973—1,745. This includes full time term employees hired for short term and seasonal projects.

4. Number of employees earning more than $18,000 annually distributed according to $1,000. $18,000, 23; $19,000, 17; $20,000, 13; $21,000, 9; $22,000, 14; $23,000, 13; $24,000, 17; $25,000, 10; $26,000, 5; $27,000, 0; $28,000, 4; $29,000, 3; $25,000 to $31,000, 4; $28,000 to $35,000, 3; $34,000 to $40,000, 1.

[*English*]

GREAT LAKES CLEAN-UP

Question No. 986—**Mr. Reynolds:**

1. Will a report be published on the meetings held between Canada and the United States with regard to clean up of the Great Lakes and, if so, on what date?

2. Who is the head of the (a) Canadian (b) American group and what are their addresses and phone numbers?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. A press release reporting on the meetings held between Canada and the United States with regard to the clean-up of the Great Lakes was issued by the Department of the Environment on February 2, 1973.

2. The Canadian and American groups which met in Washington at the end of January consisted of officials representing the departments and agencies in the two countries which are concerned with the implementation of the Canada-United States Agreement on Great Lakes Water Quality. The respective chairmen of the Canada and U.S. groups at the meetings were Mr. Russ McKinney of the Canadian Embassy, Washington, D.C. (785-1400); and Mr. Thomson, Office of Canadian Affairs, U.S. Department of State, Washington, D.C. (632-2717).

DEVELOPMENT OF BLAIR RIFLE RANGE, NORTH VANCOUVER

Question No. 1,027—**Mr. Nelson:**

Are there any plans involving CMHC in the Province of British Columbia for the development of the Blair Rifle Range in North Vancouver?

Hon. Ron Basford (Minister of State for Urban Affairs): The Blair Rifle Range property in North Vancouver was acquired by the federal and provincial governments under the partnership arrangements of Section 40 of the National Housing Act, largely at the suggestion of the municipality. Following its acquisition, the district municipality of North Vancouver commissioned a planning study with the objective of determining the feasibility, timing and form of development for municipally-owned lands adjacent to the Rifle Range and as well the Rifle Range itself. While this study has been completed, firm decisions have not yet been taken by the municipality, particularly with respect to the extension of trunk services which would be required to serve the municipal lands and the Blair Rifle Range.

ASSISTANCE TO STRAWBERRY GROWERS, P.E.I.

Question No. 1,029—**Mr. Macquarrie:**

1. What requests have been received from the Government and/or Legislature of the Province of Prince Edward Island for assistance to strawberry growers in that Province whose plants were afflicted by the frost kill?

2. What measures of assistance are being contemplated for these growers?

3. In the past ten years, what measures of assistance have been given to growers whose operations have been diminished by the effects of unusual or unseasonal weather?

Hon. E. F. Whelan (Minister of Agriculture): 1. Requests have been received by the Minister and the Department of Agriculture asking for assistance on a redevelopment plan for strawberries in P.E.I.

2. The Department of Agriculture has advised that two measures of assistance may be available under Federal Government programs. These are: one relative to the marketing of agricultural products, administered by Department of Agriculture, and one relative to production expansion (Comprehensive Development Plan) jointly administered by the federal and provincial governments through a joint Advisory Board whose federal chairman is provided by the Department of Regional Economic Expansion.

3. The Federal Crop Insurance Act makes assistance available to producers through provincial crop insurance programs. Additionally, federal assistance has been available to nine provinces in the past ten years where the crop loss has been considered to be beyond the resources of a province. The assistance has been given through joint federal provincial crop loss programs relative to frost, drought or excessive rain fall.

CBC—"THE SLOANE AFFAIR" FILM

Question No. 1,039—**Mr. Hales:**

1. Was the CBC *Sloane Affair* shown Wednesday, February 14, 1973, at the request of the Minister of National Revenue and, if not, by whom was it promoted?

2. Who wrote and directed the film?

3. What was the total cost of production?

4. What was the total amount paid to CBC for showing?

5. What plans have been made for re-showings at what approximate cost?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation and the National Film Board as follows: 1. The film "The Sloane Affair" was not shown at the request of the Minister of National Revenue. It was one of a number of films selected by CBC program personnel from those films offered by the National Film Board for showing on television.

2. Douglas Jackson.

3. $164,903.

4. No payment was made to the CBC for showing the film.

5. At present the CBC has no plans to reschedule the film.

ENVIRONMENTAL IMPACT STUDIES

Question No. 1,054—**Mr. Reynolds:**

Will the Minister of the environment guarantee that the government will not allow the approval of the pipeline from the Kootenays to Robert Bank (commonly referred to as Shel Pac) until a complete environmental impact study and public hearings are held?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Environmental impact studies and public hearings are in line with federal government policy.

LOBSTER FISHERY EXPERIMENT

Question No. 1,055—**Mr. Crouse:**

1. What is the present status of the government's fisheries experiment to determine whether a viable lobster fishery could be launched at Fatty Basin at the head of Useless Inlet, B.C., using Atlantic coast lobster?

2. (a) What was the total cost of the six-year program (b) was the program successful?

3. Since this program was planned in two stages, is it the intention of the government to proceed with phase two of the experiment?

4. Is the government planning any similar experiments in the lobster's native habitat off the shores of Atlantic Canada?

Mr. William Rompkey (Parliamentary Secretary to Minister of Fisheries): 1. The transplant of Atlantic lobsters to Fatty Basin, B.C. has been a successful experiment. The transferred lobsters grew at the same rate as on the Atlantic coast and there is successful reproduction within confined areas. The lobster larvae survive in satisfactory numbers. It is not certain that this enouraging biological success will establish a viable, continuing self-supporting, economic fishery. This second phase still remains to be demonstrated.

2. (a)

Year	Amount
	$
1972-73	15,600
1971-72	42,117
1970-71	51,013
1969-70	58,765
1968-69	64,387
1967-68	81,112
1966-67	50,940
Total	$363,934

(b) Yes.

3. Yes, but phase two will take at least four or five years to complete as considerable oceanographic information, that is not now available, is needed.

4. No. The continuing lobster work in the Atlantic area is of a different nature—that of monitoring and protecting and existing and very intentsive fishery as contrasted with the Pacific experiment of creating a resource where none existed before.

BICYCLE FATALITIES

Question No. 1,072—**Mr. Stackhouse:**

1. How many fatalities were suffered by bicycle users in 1972?

2. How many of these were suffered (a) on highways (b) in urban areas?

3. In the light of a 10 percent increase in fatalities due to bicycle accidents in urban areas of the United States, what efforts are being made by the Department of Transport to study safety conditions for bicycle users, especially in urban areas?

Hon. Jean Marchand (Minister of Transport): 1. Data for 1972 are not available. Unpublished data of Statistics Canada indicate that 170 bicyclists died in 1971.

2. National Statistics are not available at present.

3. The Ministry of Transport in co-operation with Statistics Canada and officials from all 10 provinces is establishing a national traffic accident file which, in part, will provide information on bicycle accidents and bicycle fatalities. In addition, the Department is supporting the preparation of a bicycle safety standard by the Canadian Standards Association.

OCEANOGRAPHIC INSTITUTE

Question No. 1,078—**Mr. McKinnon:**

1. Has the site for the $5,000,000 Oceanographic Institute, to be located in Victoria, been chosen as yet and, if not, will the Minister of the Environment ensure that the local regional government will be consulted, prior to purchase of the site?

2. In what year does the Minister expect the doors of the Institute will open?

Mr. William Rompkey (Parliamentary Secretary to Minister of Fisheries): 1. Final decision has not yet been made for the site of the Oceanographic Institute in the Victoria area. The Minister will make a point of informing the local regional government concerning the site of this Institute.

2. It is premature to speculate as to the date the Institute will open in view of the early stages of negotiations.

DEPARTMENT OF LABOUR PERSONNEL

Question No. 1,091—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of Labour on (a) January 1, 1963 (b) January 1, 1973?

2. How many people in each of these years were receiving salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) over $20,000?

Hon. John C. Munro (Minister of Labour): 1. (a) 639; (b) 711.

2.

	1963	1973
(a)	594	360
(b)	45	302
(c)	Nil	49.

Order Paper Questions

SALT FISH INDUSTRY

Question No. 1,165—**Mr. Caouette (Charlevoix):**

With reference to his statement of February 21, 1973, will the Minister for the Environment indicate (a) in what particular locations on the North Shore will such investment for salt fish plants be made (b) what amount is allocated to the North Shore area (c) to what organizations will the money be distributed?

Mr. William Rompkey (Parliamentary Secretary to Minister of Fisheries): (a) The $2.1 million capital program budget will be used to purchase equipment in order to increase production and improve quality. This equipment will be located in areas where it will be most effective in the light of local circumstances. Consideration is being given to the North Shore among other areas; (b) See (a); (c) No money will be distributed to any organizations.

POLAR BEARS AND SEALS

Question No. 1,188—**Mr. Reynolds:**

1. In the calendar year 1972, how many polar bears were killed (a) by sportsmen (b) by native peoples (c) by commercial hunters?

2. Is the killing authorized by law without restriction under licence or by exemption from a legal prohibition?

3. In the calendar year 1972, how many seals were killed on the East Coast sealing grounds by (a) Canadians (b) foreigners?

4. Is the killing authorized by law without restriction under licence or by exemption from a legal prohibition?

5. Has the government any plans to stop the slaughter of these animals?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am advised by the Departments of Indian Affairs and Northern Development and the Environment as follows: 1. (a) None. (b) 406 (licence year July 1, 1971 to June 30, 1972). (c) None.

2. The taking of polar bear is authorized only under a strictly enforced quota system by duly licensed persons. Each Eskimo settlement is allotted a yearly quota based on the bear population in that area. The quota preventing an excessive kill is revised annually by the Federal-Provincial Polar Bear Technical Committee. This Committee is composed of biologists actively engaged in polar bear research and surveys. Only Eskimo settlements can decide whether they wish to allow sportsmen to take a portion of the allotted settlement quota.

3. (a) 76,063. (b) 65,478.

4. The seal harvest is authorized by law with restrictions on killing methods, seasons, areas, vessel participation, and conducted under licence and close supervision.

5. The government of the Northwest Territories, which has full responsibility for game in the Territories, does not contemplate any change at this time in the present arrangement for hunting of polar bear. Present take is justified by research and survey data and the program is strictly monitored and enforced additionally by a tag system prohibiting the export of untagged pelts. Should biological research indicate a need to revise the present arrangements, appropriate action would be initiated.

[Mr. Munro.]

No. The seal fishery is managed on a sustainable yield quota system based on scientific assessment.

*NATIONAL DEFENCE—OPTIONS TO PURCHASE BRITISH SCORPION LIGHT TANK

Question No. 1,208—**Mr. Rowland:**

1. Does the government possess options to purchase the British Scorpion light tank and, if so (a) how many units are involved (b) on what date do the options expire (c) would additional costs be involved should the option expire prior to a decision to purchase being made?

2. Is the government examining the possibility of purchasing heavier armoured equipment, such as a main battle tank in lieu of the Scorpion or in addition to the Scorpion?

3. Is the government considering extending the service life of the Centurion tank as an alternative to purchasing the Scorpion?

4. Is the government investigating the possibility of having components of any new tank purchased manufactured in Canada and, if so, do the investigations involve the possibility of regional distribution of purchase of Canadian components?

5. On what date may an announcement as to the replacement for the Centurion tank, if any, be expected?

Hon. James Richardson (Minister of National defence): Mr. Speaker, the answer to Part 1, is that the government does not possess any options to purchase the British Scorpion light tank, and therefore parts (a), (b) and (c) of this question are not applicable.

The answer to Part 2 is that the government is not examining the possibility of purchasing a main battle tank or other heavier armoured equipment. For this reason Parts 4 and 5 are not applicable.

The answer to Part 3 is that we have considered the possibility of extending the service life of the Centurion tank as an alternative to purchasing the Scorpion but no decision concerning such extension has yet been made.

ISSUANCE OF LICENCE TO MONT JOLI HELICOPTERS LTD.

Question 1,283—**Mr. Allard:**

In what manner and under what conditions was a licence to operate helicopter service issued to Mont Joli Helicopters Ltd.?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: Licence was issued pursuant to Decision No. 3455 dated August 9, 1972, and Order 1972-A-264 dated October 3, 1972 following public notice of application and after consideration of evidence of public need and of interventions for and against the application.

POST OFFICE CALENDARS

Question No. 1,383—**Mr. Diefenbaker:**

1. (a) How many 1973 calendars were issued by the Post Office Department and distributed across Canada (b) what was the cost thereof?

2. How many calendars were ordered destroyed because of an error as to the number of days in the month of February?

Hon. André Ouellet (Postmaster General): 1. (a) 800,000, (b) $269,866.20

2. After the error was detected the advertising agency recalled a number of calendars. The exact number of calendars with the error is not known. The post office would not accept calendars that contained the error.

CONSTRUCTION OF HOUSES AND APARTMENTS IN METROPOLITAN AREAS, 1971

Question No. 1,389—**Mr. Orlikow:**

Order Paper Questions

1. How many houses were begun by builders in urban centres in 1971 and, of this number, how many were begun in Halifax, Montreal, Toronto, Hamilton, Winnipeg, Regina, Calgary, Edmonton and Vancouver?

2. How many apartment units were begun by builders in urban centres in 1971 and, of this number, how many were begun in Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary, Edmonton and Vancouver?

Hon. Ron Basford (Minister of State for Urban Affairs): 1 and 2. See Table:

Dwelling Starts, by Type of Structure, in Centres 10,000 Population and Over, 1971[1]
(Dwelling Units)

Area	Single-det'd	Semi-det'd and Duplex	Row	Apartment	Total
Selected Metropolitan Areas:					
Halifax	551	138	276	1,586	2,551
Montreal	5,293	996	1,025	14,971	22,285
Toronto	6,245	3,510	2,218	21,190	33,163
Hamilton	2,155	260	750	2,243	5,408
Winnipeg	2,129	666	696	4,235	7,726
Regina	879	32	29	367	1,307
Calgary	3,441	592	1,274	3,494	8,801
Edmonton	3,154	168	1,440	6,524	11,286
Vancouver	5,283	391	1,057	8,822	15,553
All Metropolitan Areas	41,851	8,712	12,634	85,240	148,437
Total Urban Centres 10,000 Population and Over	56,887	10,962	14,279	98,820	180,948

[1] Data on 1966 Census Area Definitions.

*ESTABLISHMENT OF FORRILLON PARK—QUEBEC

Question No. 1,417—**Mr. Laprise:**

How many square miles were expropriated for the establishment of Forrillon Park, in Quebec and what was the average cost per square mile?

[*Translation*]

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the answer to this question is as follows: 92.805 square miles were expropriated for the establishment of Forrillon National Park. The land acquired for the park was expropriated by the province of Quebec and turned over to the government of Canada for administration and control. As this land was expropriated by the province of Quebec we do not know the final cost of settlement per square mile.

[*English*]

*POST OFFICE, SPRUCE GROVE, ALBERTA

Question No. 1,419—**Mr. Schellenberger:**

1. Does the government intend to renovate the post office or to construct a new facility at Spruce Grove, Alberta and, if so, on what date is such construction to begin?

2. If the post office is to be relocated, has the land been purchased or designated and where is it situated?

3. Will tenders be called for construction of a new facility and, if so, on what date?

4. Will the building be government-owned, or will the government lease space in it from a private developer or contractor?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer is as follows: 1. The Post Office Department has advised that it requires additional space at Spruce Grove, Alberta, to be provided by 1974-75. A study will be undertaken in 1973 to analyze and select from the alternate ways available to provide this space.

2. No decision on Post Office relocation has been made and hence, no decision on the need or selection of land.

3. If the Crown is to construct a new facility, public tenders will be called in 1974-75.

4. No decision has been taken.

POSTAL CODE

Question No. 1,442—**Mr. Dinsdale:**

1. How many credit card holders bearing the slogan "Your Postal Code, Please Use it" were distributed free of charge?

2. Who supplied the holders and at what cost?

3. Were tenders called for this particular item and, if so (a) how many tenders were received (b) what was the price quotation for each tender?

Hon. André Ouellet (Postmaster General): 1. Forty thousand.

2. Plastics Enterprises Limited, Montreal. Cost—$2,218.

3. Yes. (a) Two. (b) Stanley Manufacturing, Montreal $67.50 per 1000; Plastics Enterprises Limited, $55.45 per 1000.

Order Paper Questions

NATIONAL BATTLEFIELDS COMMISSION

Question No. 1,444—**Mr. Dinsdale:**

1. (a) Who constitutes the personnel of the National Battlefields Commission (b) what is the salary for each member (c) what is the basis for appointment to the Commission and who make these appointments (d) what are the responsibilities of the Commission?

2. Is there any other government organization responsible for the administration of Canadian Battlefields and, if so, what is the name of this organization and what are its responsibilities?

3. For what reason is there more than one government organization charged with the responsibilities of administering battlefields and forts in Canada?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. (a)

1. (a) Position	Incumbent
Secretary	L. Taschereau
Chairman	R. St. Laurent
Member	Honourable Judge Antoine Rivard*
Member	J. Leahy
Member	M. Donahue
Member	J. H. C. McGreevy
Member	P. Côté
Member	R. Thivierge
Member	Vacant

*Judge Rivard was appointed Acting Chairman 11/10/72 by the Chairman who is convalescing.

(b) There is no renumeration attached to these positions except for the position of Secretary where the annual salary is $11,034. (c) Appointment is made to the Commission by, and at the discretion of the Governor-In-Council. The government of any province which contributes a sum not less than $100,000 to the purposes of the Commission can appoint a commissioner. Judge Rivard is the Quebec appointee, and the Ontario position has been vacant since 1963. (d) The Commission is responsible for the preservation, management and operation of the National Battlefields Park as outlined under the act entitled An Act respecting the National Battlefields at Quebec.

2. Canadian battlefields as such are not under the specific jurisdiction of any one government organization. In some cases, battlefields have been designated as national historic parks or sites and, as such, are administered by this Department. Those battlefields which have not been so designated could theoretically be administered by any agency, governmental or non-governmental, or not administered at all.

3. See answer to part 2.

MISSION FROM PEI TO JAMAICA, URUGUAY, ARGENTINA, TRINIDAD, TOBAGO AND VENEZUELA

Question No. 1,503—**Mr. Macquarrie:**

1. (a) What members of the Public Service of Canada will participate in the mission from Prince Edward Island to Jamaica, Uruguay, Argentina, Trinidad, Tobago and Venezuela (b) in what capacity are they to serve on said delegation?

2. What others comprise the delegation?

3. Who will lead the delegation?

4. What portion of the expenses of the mission are being borne by the government?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. (a) A potato marketing specialist of the Agriculture, Fisheries and Food Products Branch of the Department of Industry, Trade and Commerce and a potato plant pathologist of the Research Branch of the Canada Department of Agriculture; (b) They will serve as advisers to the delegation in their respective disciplines.

2. Three members of the Prince Edward Island Legislature, three Prince Edward Island government officials, and six representatives of the Prince Edward Island potato industry.

3. The Hon. Alexander B. Campbell, Premier and Minister of Agriculture and Forestry of the Province of Prince Edward Island.

4. In addition to the expenses of the two Federal government officials, assistance is being provided to the six industry representatives to the extent of 50 per cent of their expenses which are eligible under the Program for Export Market Development administered by the Department of Industry, Trade and Commerce.

PUBLICATION OF BOOKLET "NAVIGATION CANALS, RIDEAU TRENT QUEBEC"

Question No. 1,509—**Mr. Cossitt:**

1. Was a booklet published bearing the title *Navigation Canals, Rideau Trent Quebec* and, if so, how many copies were printed and what was the total cost involved?

2. Was such a booklet subsequently recalled and, if so (a) how many copies were returned (b) how were they disposed of (c) what was the specific reason for the recall?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. A bilingual booklet "Navigation Canals—Rideau Trent Quebec" was prepared by the Canals Division in 1967. The total cost was $4,680.31 for 25,233 copies.

2. The booklet has not been recalled. Copies of the booklet were distributed free to the public at Canal Lock Stations each year, with amendment sheets prepared each second year updating information in the booklet. The supply of booklets is depleted and a new booklet is being prepared for printing.

EXPORT OF FLUE-CURED TOBACCO TO PEOPLES' REPUBLIC OF CHINA

Question No. 1,524—**Mr. Wise:**

What was the amount in (a) pounds (b) dollar value of flue-cured tobacco exported to the Peoples' Republic of China in 1971 and 1972?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Canadian export of flue-cured tobacco to the People's Republic of China in 1972 amounted to 653,954 pounds, valued at $870,000. There

were no shipments to the People's Republic of China in 1971.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

USE OF GOVERNMENT AIRCRAFT BY PRIME MINISTER AND CABINET MINISTERS

Question No. 24—**Mr. Coates:**

1. On how many occasions between September 1 and October 30, 1972, were government aircraft used by the Prime Minister and Cabinet Ministers?

2. In each instance (a) who used the aircraft (b) what was the type of aircraft used (c) for how long was the aircraft used (d) what stops were made by the aircraft during the period of use (e) what was the total mileage (f) what was the cost to the government?

3. In each instance, what were the names of all the passengers on each flight and if they were not employees of the government, what was the purpose of their being on the flight in question?

Return tabled.

EXPENDITURES BY POST OFFICE DEPARTMENT ON CONTRACTS FOR RESEARCH AND CONSULTING SERVICES

Question No. 106—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Post Office Department on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

EXPENDITURES BY CRTC FOR RESEARCH AND CONSULTING SERVICES

Question No. 110—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Canadian Radio-Television Commission on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

Orders for Returns

TRAVELLING AND ENTERTAINING EXPENDITURES BY GOVERNMENT DEPARTMENTS

Question No. 182—**Mr. Harding:**

1. How much money was spent by each department and agency, including the Prime Minister's Office, for travelling expenses of their staff, in each of the fiscal years 1968-69,1969-70, 1970-71, 1971-72?

2. How much money was spent by each department and agency, including the Prime Minister's Office on entertainment (including conferences outside headquarters), in each of the fiscal years 1968-69, 1969-70- 1970-71, 1971-72?

Return tabled.

AMOUNTS REPORTED BY INDUSTRIAL CORPORATIONS AS PROVISION FOR FUTURE INCOME TAX

Question No. 199—**Mr. Lewis:**

1. What were the amounts reported by "industrial corporations" under provision for income taxes—future period in each year 1968, 1969, 1970, 1971 and 1972, separately for the 37 industry groups, plus the nine industry groups, cross-classified by (a) asset size (i) less than $1 million (ii) $1,000,000 to $4,999,999 (iii) $5,000,000 to $9,999,999 (iv) $10,000,000 to $24,999,999 (v) $25,000,000 and over (b) control (i) foreign (ii) Canadian?

2. What were the accumulated amounts reported by corporations under "reserve for future income tax", at the latest available date distributed by the 37 industry groups, plus the nine industry groups, cross-classified by asset size, as stated in Part 1 and by control, either foreign or Canadian?

Return tabled.

LIP PROJECTS

Question No. 818—**Mr. Lambert (Bellechasse):**

1. How many LIP projects were received by the Department of Manpower and Immigration as of January 31, 1973 (a) what was the total amount involved (b) how many projects were approved as of January 31, 1973 (c) for what amount (d) how many projects were approved for the Province of Quebec as of the same date (e) for what constituencies and what was the amount involved in each?

2. Are constituencies with a larger number of approved projects more affected by unemployment?

Return tabled.

PROSECUTIONS UNDER COMBINES INVESTIGATION ACT

Question No. 885—**Mr. Orlikow:**

1. In the past year, in how many cases did the government charge and prosecute companies for violations of the Combines Investigation Act except for cases under section 33(c)?

2. In each case (a) what were the names of the companies involved (b) what were the names of the companies found guilty when prosecuted, and what were the penalties imposed by the Court?

3. What were the costs to the government of investigating and prosecuting the above cases, exclusive of the salaries of permanent government employees, but including fees paid to lawyers, court reporters and other officials, travelling expenses for officers of the department, cost of transcripts, etc.?

Return tabled.

Oral Questions

GRAIN ELEVATORS

Question No. 971—**Mr. Korchinski:**

1. In the past five years, in each province (a) how many grain elevators were operating (b) what was the total capactiy of the elevator space?

2. In the past five years, how many delivery points no longer have elevators operating?

Return tabled.

MAINTENANCE COST OF LES ESCOUMAINS WHARF

Question No. 1,001—**Mr. Caouette (Charlevoix):**

For each of the past ten years (a) what was the maintenance cost of *les Escoumains* wharf (b) for each maintenance contract (i) who submitted tenders (ii) what was the amount of each tender?

Return tabled.

ORAL QUESTION PERIOD

IMMIGRATION

POSSIBLE CANCELLATION OF WORK PERMITS OF PERSONS WHO HAVE APPEALED TO BOARD

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is not for the Minister of Finance but for the Minister of Manpower and Immigration. Would the minister advise whether the requirement effective April 1 next of work permits throughout Canada for all non-Canadians and non-landed immigrants will result in all the 10,000 or more appellants now queued up before the Immigration Appeal Board having their work permits cancelled, and is this the method designed to reduce the number of appeals?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the requirement for work permits is, I think, in line with the practices in other countries. It is intended to provide us with the opportunity to ensure that, wherever possible, Canadians are given preference where jobs are available. Where, however, there is not this conflict, people in Canada legally will be permitted, of course, to find employment.

• (1430)

Mr. Lambert (Edmonton West): Is the minister telling the House that all those people who hitherto had work permits given to them and whose cases have been under appeal for periods of up to three or four years because of the government's indecision with regard to changes in the Immigration Appeal Board are now to be thrown on to the labour market as a result of having their work permits cancelled?

Mr. Andras: Mr. Speaker, with regard to those who had work permits as a result of having entered into an appeal before the Immigration Appeal Board, it is not our intention to cancel their work permits.

[Mr. Orlikow.]

ABILITY OF FOREIGN STUDENTS TO CONTINUE EDUCATION IN CANADA UNDER NEW WORK PERMIT POLICY

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. In view of the fact the government changed its regulations affecting foreign students mid-way through the academic year, thus making it extremely difficult for them to remain in Canada to continue their university education, can the minister tell the House if the government's work permit policy for foreign students will be reconsidered so that Canada's long respected leadership in the field of international education will continue?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I believe I have attempted to answer this question in previous question periods, but I will repeat to this degree. Only private foreign students are affected by this regulation. Those who came through CIDA or under exchange arrangements will not be affected. They are precisely and specifically exempted by the regulations. Private foreign students came with the full understanding, based on discussions with them at the time, that they were to be self-supporting. They will be required to seek employment visas if they are in fact seeking summer employment. Nevertheless, where such jobs exist and do not displace Canadian students, they will of course be permitted to take such employment.

RESPONSIBILITY OF EMPLOYERS TO DETERMINE WHETHER EMPLOYEES ARE CANADIANS, LANDED IMMIGRANTS OR VISITORS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. It is related to the first question asked and has to do with the employers involved. Can the minister now advise whether the onus will be on employers as of April 1 to ascertain the status of their employees and determine those who have landed status, those who are Canadians and those who are visitors and whether the former have work permits? Will the onus be on employers as of April 1 to ascertain the status?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I would like to check the exact legality of that. It is my understanding the employer has a responsibility to ascertain whether the applicant is in fact a Canadian citizen or a landed immigrant, in which case they do not need work permits. If they are visitors, there is an onus to find out if they have visitors' visas and employment permits.

Mr. Speaker: Perhaps the hon. member might be allowed to ask one last supplementary after which the Chair will recognize the hon. member for York South.

Mr. Alexander: In light of the hardship that will necessarily ensue for those who are presently working, will the minister give some assurance that during his investigation he will press for non-retroactivity of this law, in other words, keeping it intact for April 1 and subsequent days, months or years as the case may be?

Mr. Andras: Mr. Speaker, we expect to exercise a very gentle hand in this matter.

* * *

AIR TRANSPORT

POSSIBILITY OF MILAN ROUTE BEING AWARDED TO CANADIAN PACIFIC AIRLINES—POSITION OF AIR CANADA CHAIRMAN—ROUTE DIVISION

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Minister of Transport. It arises out of a report that Mr. Yves Pratt, the chairman of Air Canada, is very unhappy about the possibility of the Milan route being given to Canadian Pacific Airlines and is even threatening to resign if that should happen. Is the minister aware of this position of Mr. Pratt? Also, has a decision with regard to Milan been made or will it be made very soon?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the president of Air Canada has often discussed with me the problem regarding the Milan line and has done so with much energy but in no circumstance whatever did he talk about resigning. I think that this aspect of such news is not founded. As to when will the allocation of the Milan line be announced, it will still take a few weeks before such a project materializes.

[*English*]

Mr. Lewis: In view of the fact it must be obvious to the minister that any delay will make it impossible for the Canadian carrier to take full advantage of summer tourism and all the other aspects of passenger traffic to Milan, can the minister hasten the decision or else indicate to the House why there is this long delay in making the decision?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I believe that the hon. member is right in saying that a decision will have to be taken in the very near future about the Milan route because the travel period towards Europe is about to begin and I hope to be able to announce very soon the allocation of the Milan route.

[*English*]

Mr. Lewis: I wish to ask a supplementary question based on the speech the minister made last Friday. I could not be here to listen to him but I have read his speech. I was very glad to read his statement that Air Canada must remain the major international air carrier for Canada and that certain changes are being contemplated in the division of routes between Air Canada and CP Air. May I ask the minister when the House may expect a statement from him as to the changes in policy which he has indicated are now being considered?

Mr. Marchand (Langelier): Mr. Speaker, I do not think it will necessarily be a change of policy, but it might be a new division of the world. At least, the whole world will be divided so that each airline will know what exactly is its market.

[*Later:*]

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a supplementary question to the Minister of Transport. In view of the fact that the air services policy enunciated in 1965 places the Milan route directly within the area to be serviced by Canadian Pacific Airlines, is the minister now considering a change or deviation from that policy? If so, when might a statement be made to that effect?

Mr. Marchand (Langelier): Mr. Speaker, I hope that when we announce the new division of the world, Milan will at that time be attributed to one of the main international carriers.

* * *

[*Translation*]

AIR CANADA

ALLEGED CHANGE IN TIMES OF DIRECT FLIGHTS BETWEEN OTTAWA AND QUEBEC

Mr. Godin (Portneuf): Mr. Speaker, I have a question for the Minister of Transport.

Can he tell us if he has seen the new Air Canada schedule as regards direct flights between Quebec City and Ottawa and, if so, can he tell us why this company has decided to curtail its service?

Hon. Jean Marchand (Minister of Transport): I am not aware of this, Mr. Speaker; in fact, I travel regularly between Quebec City and Ottawa and I noticed no schedule changes recently.

* * *

[*English*]

HOUSING

ROCHDALE COLLEGE—PROGRESS OF FORECLOSURE PROCEEDINGS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the minister responsible for Central Mortgage and Housing Corporation and deals with the present status of Rochdale and Pestalozzi Colleges. Will the minister say whether any progress can be reported with regard to foreclosure proceedings on the Rochdale College mortgage?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the solicitors for the corporation have instructions from their client, the corporation, to pursue foreclosure action with all possible diligence. This they are doing. It was also at their suggestion that an application was made to the Supreme Court of Ontario for the appointment of a receiver on behalf of all creditors. That has been done and the building is by court order under the control of Clarkson Gordon and Company.

Oral Questions

TRADE

NEW INITIATIVES TO ASSIST EXPORTERS IN VIEW OF 1972 DECLINE IN MERCHANDISE TRADE SURPLUS

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the alarming turnabout in Canada's international balance of payments for 1972, resulting in a deficit of $584 million and resulting almost entirely from a decline of more than $900 million in Canada's merchandise trade surplus, does the minister contemplate any new initiatives to assist Canadian exporters?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I reported on this particular set of relationships on an earlier occasion. I do regard the turndown as serious, as I think all members do, but by no means catastrophic. I think this is to some extent establishing a balance we have seen before. As to the particular measures the government has taken, all I can say and underline is that we believe measures to put the manufacturing industry in Canada on a fully competitive basis with the manufacturing industries of other countries to be of very considerable importance.

• (1440)

Mr. Baldwin: You have been damned slow about it.

Mr. Hellyer: In view of the fact that the shipping rate for Japanese auto parts destined for Canada is only $48.75 per ton weight or measurement, plus a $1.00 surcharge, while Canadian exporters of auto parts to Japan must pay the much higher rate of $63 per ton plus a 4½ per cent currency adjustment, what steps does the minister propose to take to ensure that Canadian exporters will be subject to the same favourable rate as the Japanese now enjoy?

Mr. Gillespie: I am sure the hon. member understands that questions relating to international freight rates and shipping conferences are matters for multilateral negotiations; they cannot be changed overnight. However, they are under study. It is perhaps worth noting with respect to our trade surplus—and the hon. member did recognize we are in a trade surplus position—that in the first two months of this year our trade surplus has increased, not diminished.

* * *

INCOME TAX

INTRODUCTION OF LEGISLATION TO IMPLEMENT HIGHER DEDUCTIONS FOR THOSE OVER 65, THE BLIND, DISABLED AND STUDENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister now that we are once again in the season for filing income tax returns. I should like to ask whether there is any reason the legislation has not been introduced to implement the higher personal income tax deductions indicated for those over the age of 65, for the blind, the disabled, and for students, which were supposed to be effective as of January 1, 1972?

[Mr. Basford.]

Right Hon. P. E. Trudeau (Prime Minister): The reasons up to now are based on the conduct of parliamentary affairs and the necessity of obtaining supply and debating the various other topics that have accounted for our time. We are now only waiting for the return of the Minister of Finance and we expect to introduce those bills this week.

Mr. Stanfield: I should like to ask the Prime Minister whether he has any advice to give Canadians in the categories I have mentioned who are now filing tax returns on whether they should file tax returns as yet unauthorized by law or should wait? What advice would he give to those who feel they are entitled to rebates but who cannot receive them because of the delay in the passage of this law?

Mr. Trudeau: The government has always taken the position that it would bring these bills forward, as to the particular matters mentioned by the Leader of the Opposition, my advice is that taxpayers can go ahead with some assurance because I cannot see the opposition voting against this kind of rebate to deserving taxpayers.

Some hon. Members: Hear, hear!

* * *

PUBLIC WORKS

EXPENDITURES MADE AT HEADQUARTERS LEVEL DURING MONTH OF MARCH

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to address a question to the Minister of Public Works. Since that department engages in a fair amount of expenditure of public funds and inasmuch as we are just a few days away from the end of the present fiscal year, can the minister assure the House that his department is not intensifying expenditures these last few days at the headquarters level merely because there are funds which have not yet been expended during the present fiscal year?

Hon. Jean-Eudes Dubé (Minister of Public Works): No, Mr. Speaker, that is not the case at all.

Mr. Howard: Would the minister be prepared to table for the month of March the avenues of expenditure by the headquarters office of his department, the contracts that have been entered into and the manner in which that money has been expended during the month of March?

Mr. Dubé: I have no personal objection at all, Mr. Speaker. I will inquire whether this can be done.

Mr. Howard: May I address a further supplementary, this time to the President of the Treasury Board? Will the President of the Treasury Board make a similar commitment to compile information for all the other departments in relation to their headquarters expenditures this month?

Hon. C. M. Drury (President of the Treasury Board): I will be glad to consider the size of this task, Mr. Speaker.

CANADIAN BROADCASTING CORPORATION

RECOVERY OF INCOME TAX FROM EMPLOYEES STATIONED IN UNITED STATES—REFUSAL BY CORPORATION—POSITION OF MINISTER

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is addressed to the Secretary of State who is responsible for the Canadian Broadcasting Corporation. It is a follow-up to a question I asked him earlier in the session dealing with the recovery of income tax from CBC employees stationed in the United States. My question is based on a written answer that I received from the minister wherein the hon. gentleman stated that the CBC has refused to collect this income tax as recommended by the Public Accounts Committee. I now ask the minister whether he is accepting the refusal of the CBC to make this collection or whether he is prepared to accept the recommendation of an all-party committee of this House?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, my position on this issue is as outlined in the letter to the hon. member. The suggestion I make in the letter is that the committee meet with officials of the CBC who say there is additional evidence they would like to place before the committee. I think this request is perfectly reasonable, and this is the course of action I would recommend.

Mr. Hales: In view of the fact that the minutes of proceedings of the committee for the last parliament have been finalized, and bearing in mind that this was the final decision of the committee, is the minister now prepared to accept the committee's recommendation?

Mr. Faulkner: My position is as I outlined.

* * *

[*Translation*]

HOUSING

MONTREAL NORTH—MEASURES TO PROTECT WAR VETERANS IN CASE OF SALE OF PROJECT

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the Minister of State for Urban Affairs.

In view of the great anxiety shown by some 600 veterans from Montreal North, could the minister give the necessary instructions to the Central Mortgage and Housing Corporation in order that these veterans will be adequately and humanely protected should this housing project of 636 units built for them be sold.

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): I am not sure that these people have been in communication with me. I will check and determine whether they have and see what can be done to alleviate their concern.

[*Translation*]

TRADE

EXPORTS OF SNOWMOBILES TO UNITED STATES—REQUEST THAT MINISTER EXPLAIN DECREASE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the hon. Minister of Industry, Trade and Commerce.

Referring to a reply appearing on page 2443 of the March 21 issue of *Hansard* concerning exports of snowmobiles, I note that 88,000 fewer units were exported to the United States in 1972 than in 1971. Can the minister tell the House whether there is any connection between the American take-over of our snowmobile industries and the decline of exports in that line?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I believe the main reason for the reduction in exports, though I should point out that there is still a very significant balance in Canada's favour, is that there were more manufacturers of snowmobiles in the United States, fewer people are buying them, and this year there was less snow.

* * *

TRANSPORT

TRAIN DERAILMENTS—REQUEST FOR SPECIAL COMMITTEE TO INVESTIGATE ACCIDENTS

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Transport. In light of the fact there has been yet another accident on the Canadian National system in the area generally south of Ottawa, this being the third in 14 days, will the minister now form a special committee to investigate the frequency and severity of these accidents?

• (1450)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I thank the hon. gentleman for giving me notice of the question. As he knows, inquiries made by the Canadian Transport Commission are usually public and the reports are of a public nature, but there is a lot of routine investigation which is not made public. I think this is as it should be. I have asked the CTC to publish the results of certain inquiries they have made. I have also asked them, following the hon. member's reference, to attempt to find out whether there is some other way of discovering the chief causes of these accidents which seem to be too numerous these days.

* * *

NATIONAL REVENUE

EFFECT OF REVALUATION OF MARK AND YEN ON CUSTOMS DUTIES ON IMPORTS FROM WEST GERMANY AND JAPAN

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of National Revenue.

In view of the fact that present revaluations of the Deutschmark and the yen will not solve our present monetary problems, and since the price pressures in Canada caused by the higher mark and yen will tend to pyramid, will customs duties on imports from these countries be charged at fair value or will they move up with the revalued currencies and thereby increase the cost of food, clothing and other imports from these countries?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I certainly do not feel competent to answer that question at this time and would in all humility want to get advice before answering it. I think it would be a matter of policy that would be announced in the usual way if there were to be a change.

* * *

HOUSING

MONTREAL NORTH—APPROVAL OF WAR VETERANS OCCUPYING PROJECT BEFORE SALE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is related to the question asked by the hon. member for Saint-Hyacinthe of the Minister of State for Urban Affairs. Following his investigation of the report that CMHC intends to sell this 636 unit building now occupied in the main by veterans, will he assure the House that it will not be sold unless a clear majority of the veterans currently occupying the building as tenants approve of the sale?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I will look into that.

* * *

ENERGY

OIL AND GAS LAND LEASING IN NORTHERN CANADA—REQUEST THAT WRITTEN QUESTION BE ANSWERED

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the Minister of Indian Affairs and Northern Development. In view of the very serious allegations we have heard this last week about the disposal of oil and gas lease lands under the jursidiction of the minister, will he take a personal interest in seeing if he can expedite an answer to my written question dated March 2, No. 1392, which asks for information on this subject?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I shall be happy to try to give a reply in the House as soon as possible.

[Mr. Crouse.]

[*English*]

AIR CANADA

EXPLOSION AND FIRE ON FLIGHT 141, TORONTO TO CALGARY—REQUEST FOR INVESTIGATION AND REPORT

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is directed to the Minister of Transport and clearly affects the lives of thousands of Canadians. On Friday night last an explosion and fire occurred on flight 141 from Toronto to Calgary. I was on that flight and it was reported to me that engine trouble had been reported in Montreal. I notice there has been no coverage by the media as they were not informed of the accident. I ask the minister to inquire and report to the House whether there was trouble on that flight that was not corrected, whether news of this accident was withheld from the media, and also indicate the number of in-flight motor failures there have been in the past year?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, considering the importance of the incident because of the presence of our colleague on board, I will inquire immediately and try to get a report.

* * *

AGRICULTURE

POSSIBILITY OF INCREASE IN INDUSTRIAL MILK SUBSIDY AND BUTTER SUPPORT PRICE

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the Minister of Agriculture. Is he planning to announce an increase in the federal subsidy for industrial milk production and also in respect of the support price for butter? It seems unnecessary to me that in Canada production of milk products should fall below domestic requirements.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member will have to be patient for a little while. No matter how high we raise quotas or increase prices, the cattle must have the right kind of weather in order to be productive.

Mr. McKinley: Mr. Speaker, I realize that the minister will probably be making an announcement in this regard in a few days. When he makes that announcement, would he project dairy policy farther than just one year in order that producers can plan their production better?

* * *

ROYAL CANADIAN MOUNTED POLICE

INSTRUCTIONS TO NARCOTICS SQUAD TO INTENSIFY ENFORCEMENT RESPECTING DRUG TRAFFICKERS—ESTABLISHMENT OF REHABILITATION CENTRES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct my question to the Solicitor General. In light of the fact the Minister of National Health and Welfare suppressed a report and statistics in respect of the use of hard drugs, and as there has been an increase

in their use in the cities of Edmonton and Calgary emanating from Vancouver—

Some hon. Members: Question!

Mr. Woolliams: If you will just wait a moment I will ask the question. Has the minister given special instructions to the RCMP narcotics squad to intensify and step up law enforcement against traffickers to halt this drug flow which has moved from British Columbia into Alberta and other provinces?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there have been no special instructions in respect of one province or another, but law enforcement in respect of drugs has been placed in the highest priority for the coming year by the RCMP in their criminal investigation work.

Mr. Woolliams: Perhaps I might ask one more question. Has the minister set up a special study on technological clinics in British Columbia, Alberta and other provinces as recommended by the LeDain Commission in its first report in order to publicize the dangers and the irreparable physical, emotional and mental destruction that result from the use of the hard drugs, and have centres been set up to rehabilitate young people in particular who have already become addicted to hard drugs, namely heroin?

Mr. Allmand: Mr. Speaker, I know we have drug rehabilitation programs operating in penitentiaries, but I am not sure they are the ones suggested in the LeDain report. I will check into that.

Mr. Trudeau: Mr. Speaker, I rise on a question of privilege. I wish to draw to your attention that the preface to the question asked by the hon. member for Calgary North was to the effect that the Minister of National Health and Welfare had suppressed some statistics. In the absence of the minister I want to take the strongest exception to that. I wish the hon. member would not make such allegations, particularly when the minister is not in the House.

Some hon. Members: Hear, hear!

Mr. Woolliams: Mr. Speaker, perhaps I might just make the point that the Prime Minister is taking strong objection to the article that appeared in the *Globe and Mail*. If the minister were here and wanted to deny it, that would be fine, as I have always been one of the first to accept a minister's statement.

Mr. Trudeau: Mr. Speaker, I do not think it is sufficient indication of the veracity of a statement for an hon. member to say he read it in a newspaper.

Some hon. Members: Oh, oh!

Mr. Baldwin: Suppression is your middle name over there.

Mr. Woolliams: Take it up with the *Globe and Mail*.

Some hon. Members: Oh, oh!

AGRICULTURE

REQUEST FOR ACTION TO PROTECT LIVELIHOOD OF FARMERS DELIVERING MILK TO SMALLER CHEESE FACTORIES

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, my question is supplementary to the one asked by the hon. member for Huron. In light of the circumstances surrounding cheese production in Ontario, would he initiate talks between the Canadian Dairy Commission and the Ontario Milk Marketing Board in order to protect the livelihood of those farmers who are delivering milk to the smaller cheese factories in Ontario so that both the farmers and the smaller end of that industry can survive?

Mr. Speaker: The hon. member for Leeds.

Mr. Gleave: Mr. Speaker, I rise on a point of order. I am not sure whether the minister was paying attention and heard my question, or simply does not choose to answer it. Perhaps he could enlighten the House.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I was reading a letter on my desk from a group of farmers and did not hear the question of the hon. member about another group of farmers.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I would hope that if the hon. member repeats his question he will do so in a shorter form as it appeared to the Chair it was rather more like a speech than a question. If the hon. member wishes to repeat his question briefly, the minister will be given the floor for the purpose of replying.

• (1500)

Mr. Gleave: Mr. Speaker, I did my best and I will again try to be as clear as I can. I asked the minister whether he would instruct the Canadian Dairy Commission to meet with the Ontario Milk Marketing Board in order to consider the problems of those producers in Ontario who are delivering milk to smaller cheese factories for cheese production so that the livelihood of the farmers and the continuing operation of the cheese factories can be assured?

Mr. Whelan: Mr. Speaker, I can confirm to the hon. member that we have already had this meeting and have discussed these very problems.

* * *

EXTERNAL AFFAIRS

CUBA—SUGGESTED REQUEST FOR RELEASE OF RONALD PATRICK LIPPERT ON COMPASSIONATE GROUNDS

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Prime Minister who I assume must welcome the decision of the Cuban government to permit the daughter of Ronald Patrick Lippert to visit him in prison if she can arrange to go there. My question is: In view of the recent example set by President Nixon of the United States in contacting the head of the government of The People's

Republic of China and thus obtaining the release of a CIA agent from a Chinese prison on humanitarian and compassionate grounds because of his mother's health, will the Prime Minister agree to contact his counterpart, Fidel Castro of Cuba, for the purpose of obtaining the release of Canadian citizen Ronald Patrick Lippert of Kitchener, who has now served ten years in a Cuban jail as a confessed CIA employee on the same basis of—

Mr. Speaker: Order, please.

Mr. Cossitt: —humanitarian and compassionate grounds because of the health of Mr. Lippert's mother?

Mr. Speaker: Order, please. I have the impression the hon. member has asked this question probably in the same terms a few days ago, but the question having been asked and having taken some time, perhaps the Prime Minister might reply if he wishes to do so.

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, like the right hon. member for Prince Albert said: "I shall answer this question later."

[*English*]

Mr. Cossitt: In view of the published reports over the weekend, which I presume were published in Cuba as well, that the Prime Minister intends to resign in favour of the Minister of Finance, would he be prepared to confirm—

Mr. Speaker: Order, please. The hon. member for Dauphin.

* * *

GRAIN

PROPOSED PLEBISCITE ON METHOD OF MARKETING RYE, FLAX AND RAPESEED—INQUIRY AS TO INFORMATION AVAILABLE TO PRODUCERS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. In view of the projected plebiscite in respect of the method of marketing rye, flax and rapeseed, will the minister be placing clearly before the growers the proposed method by which these oilseeds will be marketed if the Canadian Wheat Board is designated to be the marketing agency?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we are having some discussions about the exact form of the plebiscite and form of the information that should be placed before the producers at the present time. We hope to formulate the question and the information in a way acceptable to virtually everyone.

INCOME TAX

ALLEGED GOVERNMENT SPONSORED BROADCAST EXPLAINING FORMS—NUMBER OF COMPLAINTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of National Revenue. I should like to ask him whether the government intends to have further broadcasts on the CBC to explain the unexplainable in connection with the income tax form?

Hon. Robert Stanbury (Minister of National Revenue): First, Mr. Speaker, may I thank the right hon. gentleman for the honour of responding to his question on this happy day for him and for all of us. I think the premise of his question is mistaken in that the government has not sponsored any such broadcast. Perhaps he is referring to the CBC "Tax Test" last Friday evening. This is not the first year there has been such a national tax test, and I presume it will not be the last. It was a CBC program not paid for in any way by the Department of National Revenue. I might tell the right hon. gentleman that so far the tax returns are coming in very well and the error rate is about 40 per cent below that of last year.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, there are two kinds of falsehoods, ordinary falsehoods and statistics. The hon. gentleman has established a statistic without telling us how many have sent in their returns. Has he not a multitude of letters of complaint concerning the maelstrom of difficulties in which Canadian taxpayers find themselves by reason of the stupidity of the government in respect of its questions?

Mr. Stanbury: Mr. Speaker, I must say there were a number of complaints, particularly before the forms were distributed, stimulated partly by fear tactics on the part of the opposition.

Some hon. Members: Shame!

Mr. Stanbury: However, in recent weeks and days the correspondence has been quite the contrary, and I am glad to say—

Mr. Speaker: Order, please.

Mr. Stanbury: —that the return rate is about the same as the year before.

Mr. Speaker: Order, please. I ask the co-operation of hon. members to limit the number of supplementaries between now and the end of the question period. Order, please. I believe the Chair cannot allow supplementaries. There are three minutes left before the end of the question period. The hon. member for Cape Breton-East Richmond rises on a point of order.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order to inform the minister in just what bad shape he is. He sent me a request for assistance in respect of his tax form.

Mr. Speaker: The hon. member for St. John's East. Order, please. The minister is rising on a point of order. Will the minister resume his seat. I seek the co-operation of hon. members in limiting supplementaries and points of order for the next three or four minutes before the end of the question period.

Mr. Stanbury: Mr. Speaker, I am sure the hon. member, who usually tries to be fair, would not want to imply something that is not correct. I think he knows that I sent every member of the House and every member of the Senate, a letter asking for suggestions for improvements in the forms because I heard representations from the other side that they could be improved. I would very much like to have specific suggestions for the improvement of these forms, and all such suggestions will be considered before the forms for next year are prepared.

* * *

INFORMATION

POSSIBILITY OF ELIMINATION OF CERTAIN SERVICES BECAUSE OF DUPLICATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, in the absence of the Minister of Finance, I should like to address a question to the President of the Treasury Board. I might say that the question is also directed to the minister in his own right. It is in respect of Information Canada. In view of the fact that expenditures on departmental information services for the fiscal year now before us have considerably exceeded the growing expenditures of Information Canada, I wish to ask the minister what the government proposes to do about this excessive waste of public funds?

Mr. Speaker: In those terms the question is not in order.

Mr. McGrath: Mr. Speaker, may I rephrase my question very briefly.

Mr. Speaker: The member may rephrase his question but after that I think we will have reached the end of the question period.

Mr. McGrath: Mr. Speaker, in view of the growing expenditures on information services and of public funds being used for Information Canada, may I ask the minister whether the government proposes to eliminate one of these two redundant services.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the intention of the government, which I think has been successful, is to provide more information to the public, in response to widespread demand, by a process which is more efficient.

STATUS OF WOMEN

IMPLEMENTATION OF COMMISSION RECOMMENDATIONS BY LEGISLATION

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of Labour who I understand is in charge of the affairs of women.

Some hon. Members: Oh, oh!

Mrs. MacInnis (Vancouver-Kingsway): At the beginning of the session I asked him whether he would be making a statement concerning the kind of legislation the government would introduce in its program to implement the report on the status of women this session. He replied, "soon". Nearly three months have passed now, and I wish to ask him whether it is his intention to leave this session a blank so far as implementation of the recommendations of the Royal Commission on the Status of Women is concerned?

Hon. John C. Munro (Minister of Labour): Most certainly not, Mr. Speaker. I would point out to the hon. member that many of the recommendations of the royal commission can be implemented without the necessity of legislation. They can be implemented, for instance, by executive order. We are progressing with many of these recommendations each day. So far as legislation is concerned, I would advise that we have committed ourselves to come forward with legislation prohibiting discrimination on the basis of sex, marital status or age, and I hope to have that bill before the House fairly shortly I might say again.

• (1510)

Mr. Diefenbaker: We already have the Bill of Rights.

* * *

NATIONAL PARKS

BANFF AND JASPER—LACK OF ACCOMMODATION FOR SUMMER EMPLOYEES—REQUEST FOR STATEMENT ON HOUSING POLICY

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In light of the accommodation crisis in Banff and Jasper and the imminent arrival of at least 1,000 summer employees who will have literally no place to live, will the minister make a statement on motions this week outlining the government's housing policy for the parks' townsites?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am reviewing this matter and if need be I will report to the House or the committee.

[*English*]

HOUSING

ROCHDALE COLLEGE—POSSIBLE USE AFTER FORECLOSURE

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, my question is for the Minister of State for Urban Affairs and it is supplementary to an earlier question asked about Rochdale College. In light of the letter that has been sent by the Metropolitan Toronto Police Commission, and in light of the opinion given at the coroner's inquest, has the minister any plans for devoting Rochdale College to a more socially constructive purpose after foreclosure than the one for which it is now being used?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, as I said, we are pursuing foreclosure with all the speed that the courts will allow, and that is as fast as it is possible to go. It would be premature to determine any use for the building prior to our gaining possession of it pursuant to the foreclosure action.

* * *

FISHERIES

SEALS—ALLEGED ILLEGAL USE OF AIRCRAFT BY BRIAN DAVIES—POSSIBLE CHARGES

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a brief question for the parliamentary secretary to the Minister of the Environment. Can he indicate whether charges have been laid against Brian Davies for the alleged illegal use of aircraft in the seal fishery off the east coast of Canada and for allegedly harassing seal herds against the law of the nation?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, we have a preliminary report on this and we are checking some facts to be absolutely sure of our ground. As soon as the minister receives further information, he will be able to take whatever action is required. I should like to assure the hon. member of my personal concern in this matter and I will follow it up personally.

* * *

HOUSING

MONTREAL NORTH—MEASURES TO PROTECT WAR VETERANS IN CASE OF SALE OF PROJECT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Veterans Affairs. In view of the difficulty being experienced by veterans, as expressed in the question directed to the Minister of State for Urban Affairs previously, and the difficulty of getting answers from that minister, I wonder whether the Minister of Veterans Affairs would look into this problem and help out in this case in his concern for the veterans of Canada?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, since those questions were asked previously I have received a further report. It is very clear that if the veterans in this project do not want the building to be sold it will not be sold.

Mr. Speaker: Order, please. The Chair will call on the hon. member for St. Catharines and then call orders of the day.

* * *

FINANCE

REQUEST FOR ASSURANCE BANK OF CANADA WILL NOT RAISE INTEREST RATE

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, I have a question for the right hon. Prime Minister. I attempted to ask this question when the Minister of Finance was here. In view of the answer given by the Minister of Finance to the hon. member for Prince Edward-Hastings that he had not yet discussed the question of interest rates with the chartered banks, in light of the fact that in this morning's news it was indicated that the United States treasury has convinced U.S. banks to reduce their interest rates, and in view of the fact the Minister of Finance has said he has spoken only to the governor of the Bank of Canada, can the government assure the House that the bank interest rate of the Bank of Canada will not be raised?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to take notice of this question on behalf of the Minister of Finance.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—CONDEMNATION OF SALE OF POLYMER CORPORATION BY GOVERNMENT

Mr. Erik Nielsen (Yukon) moved:

That this House condemns the sale by the government on July 27, 1972, by Order in Council P.C. 1972-1715 of the whole of the capital stock of Polymer Corporation Limited to Canada Development Corporation.

He said: Mr. Speaker, the motion that we are dealing with today has been deliberately couched in very careful terms so as to confine this debate to a very specific issue, namely, the sale by the government of the whole of the capital stock of Polymer Corporation Limited to the Canada Development Corporation. This whole matter has been shrouded in secrecy because of the almost paranoiac refusal of the government to make the disclosure. The information has been suppressed.

We had the President of the Treasury Board (Mr. Drury) before a committee and when he was there the Liberal members on the committee threw up road block after

road block to prevent us from getting the information that a committee of the House was set up to inquire into. We had the Auditor General there, and the same process took place, but despite the refusal of the government to come forward with information, despite this deliberate suppression of fiscal information which is necessary for any meaningful inquiry into a matter so important to Canadian people as a whole, we have managed to garner some facts. They are not up to date facts, but we hope that before this debate is over the government will come forward with additional information.

I see here the minister who, I believe is in charge of Information Canada.

Mr. Faulkner: No, Mr. Speaker.

Mr. Nielsen: He should be here because this is an agency that is supposed to supply Canadians with information. What do we know about the Polymer Corporation?

The Polymer Corporation Limited was incorporated as a Crown corporation in 1942 at the time that C. D. Howe was the wartime minister of munitions and supplies. By the 1960's, the company had grown into what was essentially Canada's only publicly owned multinational company with manufacturing and marketing activities extending into most of the major nations of the world. By 1971, the company's Polysar products, which include rubber, latex and plastics, were being sold in over 90 of these countries.

With a head office at Sarnia,—and I hope to see the hon. member for Sarnia-Lambton (Mr. Cullen) participating in this debate because I imagine this matter is of importance to him and his constituents—Polymer during its growth established not only a large petrochemical complex there but also established other plants in France, Belgium and in the United States. Although far from being dominant, the company is a significant factor in the world rubber industry, as well as being the world's second largest producer of synthetic rubber supplying 10 per cent of the world's needs for this material. These remarkable achievements were no doubt the result of top-notch industrial expertise coupled to an aggressive development of export markets.

The company's remarkable achievements since its incorporation are also reflected in its contributions to Canada's growth and development. In 1962, Polymer employed 2,972 individuals, and by 1971 this number had grown to over 4,400. Salaries and wages paid out to these employees during this same 10 year period amounted to over $300 million. With net sales increasing from $87.5 million in 1962 to over $174 million in 1971, the company was able to make other positive contributions to this country. Polymer, in the same 10 year period, paid over a total of $33.7 million in income taxes at all levels while at the same time returning a total of over $34 million in dividends to the Crown.

Although perhaps not always a steady performer from year to year, Polymer has in its 30 year history demonstrated a strong and consistent ability to stay viable. The company serves as an example of how important and necessary it is to have the independence and free initiative of a top calibre management team in order to survive in one of the most competitive industries in the world. Witness, for example, the company's ability to withstand the 1971 revaluation of the American dollar which reduced net income by $6 million, while at the same time encouraging competition from imports. While external factors and general world economic conditions have always been important to the company, particularly since more than half its employees are located in Sarnia where manufacturing operations supply over half the corporation's worldwide sales, Polymer has withstood the test of time to become a jewel in the nation's crown.

• (1520)

This then was the situation as at the end of June, and as at July when the sale took place. This was the situation even as of last Friday when the Minister of Supply and Services (Mr. Goyer) got to his feet and tried to leave the pessimistic impression that this company is in some difficulties, with declining profits and inhibited ability to diversify. I could go on and describe the diversification which has taken place over the years in this company's operations, and the President of the Treasury Board (Mr. Drury) nods his head in agreement. It has been a truly remarkable record for a Crown corporation. There was nothing unhealthy about the operation of that company or about its economic position at the time when the transaction which is under discussion here today took place.

At its July 13, 1972, meeting the cabinet approved the sale of Polymer to the Canada Development Corporation. The terms of this attempted back door sale are recorded in an Order in Council which is set forth in the motion, P.C. 1972-1715, dated July 27, 1972. It is interesting to have a look at that Order in Council which followed a letter, which I think could be termed a letter of offer, dated July 6, and a letter of acceptance signed by the then minister of supply and services now the Minister of National Defence (Mr. Richardson), dated July 14. The interesting part of that exchange is the terms of the Order in Council itself.

First of all, I think we must refer to section 39 of the Canada Development Corporation Act which reads:

> The Governor in Council may sell or cause to be sold to the company, at such fair and reasonable price as may be agreed upon by the Governor in Council and the company, the whole or any part of the capital stock of any or all of the following:

Included in the following was Polymer Corporation. Nowhere in the Order in Council to which I have referred, dated July 27, is there any mention of the price being fair and reasonable. The only reference to the fairness and reasonableness of the price is to be found in the letter of acceptance which was signed by the then minister of supply and services, where there is set forth in the last paragraph of the CDC letter of July 6 the following sentence:

> We believe that this offer is a fair and reasonable one for both sides . . .

Nowhere does the Governor in Council make the statement that the price is a fair and reasonable one. Nowhere does the Governor in Council commit itself to that statement. Perhaps there is a reason behind that. Perhaps I am being overly suspicious when I fear that there might be a reason behind that rather glaring omission.

The other portion of the Order in Council, which is to be found on page 2 of it, sets forth, in addition to the sale being effective on July 31, 1972, the following subparagraph (d):

—the government shall recommend to parliament legislative action to delete Polymer Corporation Limited from Schedule D of the Financial Administration Act, thereby terminating the corporation's status as a Crown corporation;

It is quite evident that the government recognized that until some legislative action was taken to terminate the life of Polymer it would remain a living and viable corporation, required to report to parliament through the Minister of Supply and Services so long as it remains a Crown corporation by virtue of the provisions of the Financial Administration Act.

I am at a loss to know why the government proceeded, in the face of its own Order in Council, in effect to try to smuggle in an amendment to the Financial Administration Act by means of an obscure item in the estimates. The Order in Council clearly sets forth that one of the conditions of sale was that the government shall recommend to parliament legislative action to bring the life of Polymer to an end. But the government did not choose to go that way. Instead, it inserted item 16b, I believe it was, in the estimates, and that item has been defeated.

But there is an even more serious deficiency with respect to what has happened here because section 39 of the CDC Act, while clothing the government with the power to sell, to come to an arrangement at a fair and reasonable price to acquire Polymer, does not deal with the question of how to get rid of Polymer once that transaction has taken place. That was an oversight. The evidence in committee of Mr. Kennett of the Department of Finance, who is responsible for these matters, very frankly admitted it was an oversight at the time that the CDC Act was before parliament.

I would draw to the attention of the hon. member for York South (Mr. Lewis), and those who support him, that his party was very active in the debates in March, 1971, when a motion was placed before the House by the hon. member for Waterloo (Mr. Saltsman), which would have deleted Section 39 of the CDC Act. One of the speakers from his party, speaking in the debate at that time, laid emphasis on the undesirability of the CDC acquiring any existing Crown corporations. That was a perfectly proper stand to take, and in my view certainly in a situation where you have an economically healthy and well managed corporation like Polymer being the subject matter of a transfer, it just simply should not be allowed to happen. I have no doubt that that was their intention at that time.

Here, we have a corporation whose shares have been transferred to the Canada Development Corporation to a total value, which was agreed to between CDC and Polymer, of a maximum of $72 million. Mr. Kennett in his evidence before the committee said that at the time of the transfer the book value of Polymer was $108 million. Book value, in my estimation of common business practice, is not known as fair and reasonable value. To me fair and reasonable value means fair market value, and the fair market value is far in excess of the book value of $108 million. So we come to the point where again I can use a favourite expression of the hon. member for York South and his supporters, that what has happened here is that the Canadian public, who are the owners of Polymer, have been ripped-off by the government in concert with CDC which in essence is going to be, if not yet, a private corporation, with only those participating being those who hold shares in CDC.

• (1530)

This brings me to some remarks that were made in the debate last Friday by the President of the Treasury Board (Mr. Drury). He tried to leave the impression that this was nothing more or less than the sale of one Crown agency to another Crown agency. That, Sir, is a distortion of the real state of affairs and, what is more, the President of the Treasury Board knew, or must have known or should have known at the time he made the statement that it was in fact a distortion. I would like to quote from *Hansard*, page 2546 the right hand column where he said:

This is a corporation wholly owned by the Crown. All of its shares are owned by the Crown. All of its funding is derived from the Crown. The Crown already had under its control and ownership another corporation known as Polymer.

And later:

CDC is a Crown corporation, and a physical operation of the sale by the Crown of one agency to another Crown agency is obviously entirely neutral in financial terms.

I do not know what impression the minister was trying to leave in this House at that time, but it is quite clear that he knew when he made those statements that it was fully the intention of the government to make a public offering of the shares of CDC this year if not next. Certainly, the debate put a time on it, such as five years, but that it is a private corporation, or will be eventually, there can be no doubt at all. That is one of the areas where we criticized this transaction.

Mr. Woolliams: He is acting as a marriage counsellor, now.

Mr. Nielsen: The Minister of Supply and Services (Mr. Goyer) is a great expert at concealing information that should rightfully be made available to members of this House. He tried to leave the impression that the corporation was going downhill and that this action was necessary to save it.

Other members took part in the debate on Friday, notably the hon. member for Scarborough West (Mr. Harney). I listened to him with great care, as I did to all members who spoke on behalf of his party with respect to the sale of Polymer to the CDC. He left no doubt in my mind that he was totally and unalterably opposed to this sale of Polymer to CDC.

Some hon. Members: Hear, hear!

Mr. Nielsen: I see he is in agreement now. It was also evident from the questions asked last Wednesday and Thursday by the hon. member for Oshawa-Whitby (Mr. Broadbent). He left no doubt in my mind that he, too, was against this sale.

Some hon. Members: Hear, hear!

Mr. Nielsen: Then, by his interjections, and I do not see him in the House, the hon. member for Winnipeg North Centre (Mr. Knowles) who interjects in such a way that we can all hear when he chooses, left no doubt in my mind that he was against the sale.

Some hon. Members: Hear, hear!

Mr. Nielsen: Of course, my colleague and cohort and helper, the hon. member for Fraser Valley West (Mr. Rose) on two separate occasions in committee seconded motions which I put forward. One was passed and defeated vote 16b; the other called for the government to produce the financial information that we should have had in committee and the hon. member left no doubt in my mind or in the mind of any member in the committee that he was opposed to the sale of Polymer to CDC.

Some hon. Members: Hear, hear!

Mr. Nielsen: I have before me Bill C-204 and a paper entitled "Toward a Responsive Development Corporation", the hon. member for Waterloo (Mr. Saltsman) being the draftsman of both of them. No doubt this paper figured largely in the contribution of members of the New Democratic Party in the debates of 1971. This leaves no doubt in my mind that the hon. member's party does not want Polymer sold to the CDC. Where are we left? We are with you, we are with you 100 per cent in opposing this kind of sale.

Some hon. Members: Hear, hear!

Mr. Nielsen: I hear that a little conversation took place between the hon. member for Winnipeg North Centre (Mr. Knowles) and someone else while going up in the elevator last Friday after the subject matter of our resolution was known. It is reported in the press that the hon. member for Winnipeg North Centre said "When we defeat the government it will be on our own motion". Now, this is the motion of that party.

Some hon. Members: Hear, hear!

Mr. Nielsen: This is precisely what they want. To anticipate, they may say "We are not going to vote with those nasty Conservatives on this motion because all they are doing is lusting for power".

Some hon. Members: Hear, hear!

Mr. Nielsen: I am sure they are going to say, Mr. Speaker, that if they vote with those nasty Tories on this motion it means that the old age pensioners will not get their pensions because that measure is to come before us tomorrow.

Some hon. Members: Right.

Mr. Nielsen: They will say "The veterans' allowances will not be increased if we defeat the government now".

Some hon. Members: Right.

Mr. Nielsen: That is absolute tripe, Sir, because all they are doing is using the old age pensioners and war veterans as political pawns in a game.

Some hon. Members: Hear, hear!

Mr. Paproski: Shame!

Mr. Nielsen: They know, as well as all other members in this House, that governments in our system have a habit of succeeding each other and that these measures will be cared for in due course.

I see that my time is rapidly expiring, Mr. Speaker, and it would not be proper for me to conclude my remarks in the 30 minutes available to me without some reference to the participation by the hon. member for York South (Mr. Lewis), the Leader of the New Democratic Party, in the debate last Friday. I know that he is a man of principle; I know that he is a man who has vigorously, aggressively and consistently upheld the philosophy of the New Democratic Party which was so well articulated in the debates of 1971 when the Canada Development Corporation was first being discussed in this House. I would be remiss if I did not support him in the remarks which he made last Friday.

I had been listening very carefully and that is why I interjected, as reported at page 2541 of *Hansard*, and asked whether he was really condemning the sale of Polymer to the Canada Development Corporation. Imagine my surprise, not that he condemned it once but that he condemned it three times. In reply to my question whether he condemned that sale he said:

> Yes, Mr. Speaker, the hon. member understands correctly. I condemn that sale—I condemn that sale with all the vigour I have. There was no excuse for it and there is no logic in CDC doing that. There is no good economic reason and I condemn it, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Nielsen: I was very glad to get that reply from the Leader of the New Democratic Party, but when I read the press reports on Friday and Saturday it appeared from the blues that were quoted in the press that the Leader of the New Democratic Party had said in the House "I condemn that sale with all the honour that I have". Well, Mr. Speaker, honour may somehow have disappeared over the weekend, but I do not quarrel with the word used because vigour and honour are synonymous as far as I am concerned in that there was no doubt in his mind that he condemned the sale.

Many of us believe, and I think many people across the country believe, that this is a time of reckoning for the Leader of the New Democratic Party and his followers, to determine whether principle means anything—

Some hon. Members: Hear, hear!

Mr. Nielsen: —to determine whether they mean what they say when they stand up in the House and make assertions like the one the Leader of the New Democratic Party made last Friday. I believe that he did mean it, and I believe that all members of his party meant what they said in the debate in 1971 and last Friday.

All they have to do in order to prove to the people of Canada that they really did mean it, and that they really are men of principle, is to stand up and be counted when this matter comes to a vote.

Sale of Polymer

• (1540)

Mr. David Lewis (York South): Mr. Speaker, last Friday, speaking on a motion which I had moved that day, a prominent member of the Conservative Party, a financial whiz kid and ex-banker, which eminently qualifies him to be a prominent member of the Conservative Party, the hon. member for York-Simcoe (Mr. Stevens), had the following to say about Crown corporations as recorded at pages 2561 and 2562 of *Hansard:*

I would suggest, Mr. Speaker, that when we are considering the desirability of Crown corporations we should keep in mind that, while it may be necessary to have certain Crown corporations for certain services, whenever possible Crown corporations should be divested and put back into the private sector.

Then the hon. member for York-Simcoe stated:

. . . I am simply stating to this House that in considering the motion before us—

That being the motion which I had moved:

—we should bear in mind that Crown corporations are not to be encouraged in further development or expansion.

A little later he said:

This growth in Crown corporations is something that should be arrested at the earliest possible opportunity.

I now come to that vigorous socialist defender—

Mr. Stevens: On a point of order, Mr. Speaker, in all fairness, I think the hon. member for York-Simcoe should make it clear that he was referring to CMHC, not to Polymer.

Mr. Lewis: If that is what the hon. member was referring to, he certainly was obscure last Friday, Mr. Speaker. He talked about Crown corporations in a very general sense.

I now come to that great socialist defender who has just taken his seat. I must tell you, Sir, that I am deeply moved by the way the Conservatives defend socialist principles and appeal to us to do that. It really is moving, Sir. One cannot help but feel that there is still some hope for the redemption of the hon. member for Yukon, but that will happen many years, probably, after he has left this place. On October 15, 1963 this House was debating the affairs of the Northern Transportation Company that operates in the Yukon. The hon. member for Yukon (Mr. Nielsen) argued against extending or even continuing the operation of this corporation. During that debate he stated his views in several places. Let me give Your Honour one short example, as recorded at page 3611 of *Hansard* for 1963. The hon. member for Yukon said:

But it seems to me that when private enterprise reaches the stage where it is ready to take over and maintain services which were not there when the government entered the field, it is then time for government gradually to withdraw. I say this because it is repugnant, to my point of view, for a government openly to be competing with investment capital, . . .

Some hon. Members: Oh, oh!

Mr. Lewis: Those are the words of that great socialist to whom we listened. Let me take you back, Sir, to when Polymer, after the second world war was to be continued as a Crown corporation in this country. The matter was discussed in the House in 1946 when the government companies legislation was before parliament. That legislation affected all Crown corporations and was to continue Polymer as a Crown corporation beyond the second world war. Hon. Howard Greene, speaking for the Conservative Party, said—

[Mr. Nielsen.]

Some hon. Members: Oh, oh!

An hon. Member: What are you talking about?

Mr. Lewis: Mr. Speaker, I am talking about Polymer and am merely citing a few examples to show the hypocrisy of the motion which is before the House and the hypocrisy of the Conservative Party. Speaking in the debate on that legislation which was to continue Polymer as a Crown corporation, Hon. Howard Greene said in part as recorded at page 2130 of Hansard for June 3, 1946:

The sixth objection is that by using these crown companies the government is putting into effect a very fine method of bringing about a socialist state.

A little later he said:

Let that sink in, that the CCF are applauding the fact that this bill makes socialism easy. . . . I warn the government, I warn private members of the Liberal party particularly, that this bill . . . is opening the floodgates of socialism.

He was speaking on the bill that was to continue Polymer as a Crown corporation. I am told that at that point a good many members sank trembling to the floor.

Mr. Reid: All the Conservatives did.

Mr. Lewis: If you look at the debate in this House on the establishment of the Canada Development Corporation, you will find that the Tory party, led by its present leader, opposed the establishment of that corporation, because they opposed the establishment of another Crown corporation. They said that a dozen times.

An hon. Member: So did you; so did you.

Mr. Lewis: We opposed it.

An hon. Member: You were condemning it, too.

Some hon. Members: Oh, oh!

Mr. Lewis: Mr. Speaker, I have time—

Mr. Alexander: Not much.

Some hon. Members: Oh, oh!

Mr. Lewis: I have lots of time, Mr. Speaker. If those yahoos will sit quietly, perhaps they will hear something. We opposed the establishment of Canada Development Corporation as proposed by the government, precisely because it was not a Crown corporation. We opposed it because it was not under the management of the government and because it was intended to be, as it has become, a private mutual development fund. But the Conservative birds on my right, whatever kind of birds they may be, opposed it for a different reason. They were against it because they are opposed to any government intervention in the market places of this country.

I could go on citing numerous examples of the kinds of things those people have said against Crown corporations.

But today they pose as the guardians of Crown corporations. The hon. member for Yukon has posed as the guardian. I congratulate him for making a good case. I am not unaware that he is good lawyer, and a good lawyer takes a brief, whether he believes in it or not and does his best.

An hon. Member: You are a pretty good lawyer too, David.

Mr. Lewis: That is what the hon. member for Yukon did today. What hypocrisy, Mr. Speaker. On the basis of this piece of adolescent hypocrisy, the Conservatives want us to help them bring down the government at a quarter to ten this evening.

Some hon. Members: Hear, hear!

Mr. Lewis: Let me tell them, Mr. Speaker, that we do not intend to join them in their juvenile parliamentary delinquency.

Some hon. Members: Oh, oh!

• (1550)

Mr. Lewis: We do not intend to join them in their juvenile parliamentary delinquency, Mr. Speaker. Let me point out to Your Honour and everyone else that this motion has nothing to do with Polymer.

Some hon. Members: Hear, hear!

Mr. Lewis: Those blasted hypocrites in the Conservative party know it has nothing to do with Polymer. Polymer was sold to the CDC last July. If this motion passes, the situation will not be changed one iota. Polymer will still be part of the CDC. We condemned it last Friday. We condemned the sale last summer. We condemn it today.

Some hon. Members: Oh, oh!

Mr. Lewis: However, that is not what the motion is about.

An hon. Member: That is what it says.

Mr. Lewis: I do not care what hypocritical words the Tories may mouth. What the motion is about is to deny the government's supply and bring down this parliament at a quarter to 10 tonight. That is what the motion is about. The Tories know that. I have said it before and I repeat it; we do not intend to be intimidated by these adolescents to my right. They are playing a high school kind of game. We are concerned about the people of Canada.

Some hon. Members: Hear, hear!

Mr. Lewis: In fact, Mr. Speaker, in my high school days, I saw much more intelligent manoeuvres than the silly manoeuvres the Conservative Party are conducting. On the agenda for tomorrow or the following day is the increase to the old age pension and the war veterans allowance.

An hon. Member: Here comes the crunch.

Mr. Lewis: You bet here comes the crunch. The hon. member for Yukon (Mr. Nielsen) says there will be a continuing government and these increases will take place in due course. What he is saying to the aged and the veterans of this country is, you wait for your blessed increase; we, the Tories, have a game to play.

Some hon. Members: Hear, hear!

Mr. Lewis: We do not intend to play that game with them. We believe it is important to produce as soon as possible the final stages of the bills that will give the pensioners and veterans the increases in their allowances. In the next day or so, we expect the Secretary of State for External Affairs (Mr. Sharp) to bring to this House his position on Canada's part in Viet Nam. I urge him to do that before the 60 days, that he took to himself, for having Canadians in Viet Nam expires.

No one in this parliament has been more shrill and more strident in his demands that parliament decide whether Canada continues to participate in the operation in Viet Nam than the hon. member for Saint-Hyacinthe (Mr. Wagner) and his colleagues in the Conservative Party. Bring this parliament to an end at a quarter to 10 this evening and the pensionsers will not get their increase, the veterans will not get their increase and the decision about Viet Nam will be solely a decision by this government and no one else.

In the next week or so, we expect a report of the food prices committee. We hope it will present some suggestions for dealing with the increases in food prices. We have sent the housing bill to a committee of the House of Commons. We expect a debate on the bill which will place some control on foreign investment. We expect this bill within the next few days.

Last night the hon. Leader of the Opposition (Mr. Stanfield) appeared on the television program "The Nation's Business". He said to the people of Canada that the government was delaying producing the improvements of the 1972 budget and the income tax cuts of the 1973 budget. That is not a quotation, but I think it is a correct representation. He then said, and I quote:

> They are not mere technicalities. They represent important changes in our tax laws, providing long over-due relief to many people in our society.

He concluded with the following words:

> In the face of this ineptitude, this lack of leadership and the resulting hardship for so many ordinary Canadians, we will continue to press Mr. Turner and Mr. Trudeau to bring these 1972 budget proposals before the House of Commons for prompt consideration.

Having said that over television last night out of one side of his mouth, out of the other side of his mouth, the Leader of the Opposition proposed a motion that would close parliament and make it impossible for that to be done.

Some hon. Members: Shame.

Mr. Lewis: Do they expect any responsible member of this House who does not play their idiotic and unprincipled game to go along with them on that kind of measure? Talk about speaking with a forked tongue. I do not know

how many parts there are to a forked tongue, but there are certainly more than two.

We made clear to this parliament and to the people of Canada, and we will continue to stand by it, that as far as we are concerned, we want to make this parliament work. We want this House of Commons to produce worthwhile things such as those referred to by the Leader of the Opposition. We said we would support those things that were worthwhile and would oppose those with which we could not agree. That has been our position; it is our position and will continue to be our position. The loud mouthed, power hungry people to my right have no effect on any responsible member of this House of Commons.

Some hon. Members: Hear, hear!

Mr. Lewis: We want this government to act quickly in a number of other fields. I cannot understand why they have been so slow in producing these measures. We want to see the government come forward without delay with its promised guaranteed income for those unable to work. We want the government to produce the increases in family allowances which they have promised. I appreciate that they are discussing these matters with the provinces, but I want them to produce these as soon as these discussions are completed. We want the promised amendments to the Public Service Staff Relations Act before the House. We want this House to discuss soon the government resolution on bilingualism so that this matter can once and for all be decided by this House of Commons.

Some hon. Members: Hear, hear!

Mr. Lewis: The government is long overdue in producing its revised bill on competition. That has a lot to do with the increases in food prices and other things as well. Finally in this list, Mr. Speaker, we want the government to produce a bill to control election expenses. If at all possible, we want to have that before the next election. I do not mind interruptions, Mr. Speaker, but I think the behaviour of the Conservative members during this speech is evidence of a guilty conscience which this House ought to condemn.

• (1600)

Some hon. Members: Hear, hear!

Mr. Lewis: These silly, stupid adolescents—I wish they would shut up!

An hon. Member: Where was the speech?

Mr. Lewis: I repeat. The motion before the House, despite its words, has nothing to do with Polymer. Neither the mover of the motion nor the seconder, nor any member of the Conservative caucus believes for one moment that it has anything to do with Polymer or that it could change the position of Polymer one iota. This is a motion of no-confidence. It is a motion directed against supply. It is, therefore, a motion designed, if it passes, to bring down the government and bring parliament to an end at a quarter to ten. Mr. Speaker, only the most irresponsible people, hungry for office at the expense of the aged and disadvantaged of Canada—

Some hon. Members: Oh, oh!

[Mr. Lewis.]

Mr. Nowlan: Take your jelly beans and go home!

Mr. Lewis: —only such people could present such a motion, a motion which is hypocritical, ill-conceived, ill-considered and ill-timed. I say again to hon. members on my right: stop wasting the time of the House. Stop wasting our time. We are not falling for this kind of irresponsible game. We simply know better, and we do not intend to fall for it. As far as we are concerned, as long as there are useful things for this parliament to do, we shall play our part in making this parliament work.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, here we are again today faced with a non-confidence motion introduced on behalf of the Progressive Conservative Party by the hon. member for Yukon (Mr. Nielsen). Here again, we have the official opposition trying to play politics. Instead of discussing a motion to force this government to act positively in a field of interest to the people of Canada, we are again playing games as in committees to lose the time of this House.

It is always the same old game of trying to find a way to irritate the party in power, to have fun, to lose our time. It will be noted again that the mover of that motion offers nothing positive. What did he suggest to the government to replace the sale of Polymer Corporation? Did he suggest anything positive? No. The idea is to complain, to find a reason which would prompt the New Democratic Party to vote against this government, thus hoping to hurl the whole country in an election which Canadians are not interested in having at this time, let alone discussing the Polymer Corporation.

I would like to ask the Progressive Conservative and the New Democrats why in July they did not accept the challenge and did not criticize the party in power? No, they preferred to wait until today to play politics.

I understand to a certain extent the desire to criticize the sale of the corporation which was sold for roughly $72 million. Polymer was a Crown corporation but one notes contrary to suggestions from the New Democratic Party that directors of that corporation in 1971 were the great Canadian financiers and not the government or the Canadian people. Therefore, why should we criticize today? I appreciate that the New Democratic Party complains about the sale of the Polymer Corporation Limited because the vice-president of the International Brotherhood of Electrical Workers was one of the directors of the corporation. They complains about that sale, but what do they offer as a solution? Absolutely nothing. What has the New Democratic Party offered or suggested as an alternative to that sale? Nothing. They criticize, or they simply defend themselves.

Although this motion is only a disguise for a non-confidence motion, I do regret that the government should have sold the Polymer Corporation Limited to the Canadian Development Corporation at a loss. When a corporation worth over $250 million is sold for $72 million, it is safe to say that someone is indeed trying to camouflage something. In last year's annual report of the Polymer

Corporation Limited, one can readily see the reasons that led the liberal party to accept such a transaction.

On reading the letter addressed to the former minister of Supplies and Services (Mr. Richardson), one notes that the Corporation therein informs the minister that its profits after taxes amount to only half a million dollars as compared with $7,100,000 in 1970.

This is the real reason that included the liberal party to disguise this sale, to answer the Canadian people between its teeth, not to indicate in the annual report the possible deficit that that corporation could show. As it is done generally and as it has been done since the beginning of this session, they wished to act on the sly. In fact, they try to make the people swallow all kinds of little scandals, by manipulating the various groups as we have seen them do with the Polymer Corporation Limited and the Canadian Development Corporation. Here is the reason that prompted the Liberal party to proceed with such a transaction in July but the Progressive Conservatives are awakening today to condemn this step. I would say that they did not condemn it because, during his comments, the member for Yukon nearly begged the New Democratic Party to support his party without making any proposal.

Did the Liberal government act logically when selling a $242 million corporation for $72 million? I do not think so. But if, on the other hand, the intention is to hand such an industry over to the Canadian people, I do not think that it would be the way used by the Liberal party and even less that proposed by the New Democrat Party that claims it was a good thing because it is a Crown corporation.

I think that in July 1972, the government should have, right then, asked the employees of the corporation to try and purchase it, which would have made it possible to respect the workers' right to share the profits of the business.

In this way, the problem would have been solved and over 4,414 employees would have benefited from it. But no such proposition was made.

On the one hand, the Liberal party tries to "make a back door transaction" in order to hide deficits, and, on the other hand, the Progressive Conservative party and the New Democratic Party are complaining about this manoeuvering without, however, putting forward any reasonable proposal.

In so far as we are concerned, we suggest that the government avoid such transactions in the future because nothing can be changed by tonight's vote. Whatever the result of the vote, it will in no way affect the obvious mistake that was made through the sale made in July, 1972.

The government should be more careful in the future and we suggest that, if a corporation is to be sold, it should be sold to the employees themselves.

In a field such as the highly controversial Temiscaming industry, it has been noticed that the government did not provide any assistance and that this manufacture was compelled to end its activities without even realizing that its own employees were themselves in a position to take over the enterprise and develop it with a profit.

Therefore, this is what we ask the government to do in the future. If problems of an administrative nature or other arise in the case of some industries, this is due to their administrators having made mistakes. We suggest that the government have faith in the employees, in such cases, as they will be in a position to overhaul an enterprise and make profits.

Mr. Speaker, I thank you for allowing me to express my comments and I do not think it worthwhile to discuss about such a foolish motion which has been moved by the Progressive Conservative Party. We do not feel it is necessary to further discuss the miserly tactics of the Progressive Conservative and Liberal parties on the subject of the sale of the Polymer Corporation, in July 1972.

• (1610)

[*English*]

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, in rising to take part in this debate my first words, of course, should be said in sympathy for Her Majesty's loyal opposition which has been somewhat under attack today, largely on the ground of hypocrisy. I venture to say it has suffered a further disadvantage, and that is once again in respect of an appropriation of ideas. The hon. member for Yukon (Mr. Nielsen) made reference to proceedings before the Standing Committee on Miscellaneous Estimates, in relation to a discussion on this particular topic.

At that committee, when the representatives of the Conservative party were asked to approve Vote 10b for the development and utilization of manpower contributions, to extend the purposes of the Manpower and Immigration Act under Vote 10, appropriation Act No. 3, 1972, having regard to various programs and requirements for the Department of Manpower and Immigration, the hon. member for Yukon led representatives of the Conservative party in opposing that authorization for sums of money to make mobility possible for those who wished to avail themselves of these manpower programs. The hon. member at that time explained that this opposition was not based on the words of the vote at all but because of the procedure being followed, namely amending the previous Appropriation Act by a one dollar item. We see them following the tactic of not opposing the purpose of the estimates, the grant or the vote because they were opposed to what was explicit in the words of the estimate, but for really quite another reason.

Today, we find the lead off speaker for the opposition charging the NDP with failing to follow blindly the words of the motion we are now debating. It might help in light of all the confusion that exists in relation to the transfer of Polymer through sale to the Canada Development Corporation if I were to give something in the way of the background. In the course of 1971, after much public discussion and thorough consideration by parliament, the Canada Development Corporation was established by a special act of this parliament. The act was proclaimed on November 18, 1971 and the first meeting of the board was held on November 29.

The government established this corporation because it believed there was a substantial role to be played by a new institution backed by substantial sources of Canadi-

an capital and managed by skilled, experienced Canadian entrepreneurs to help make possible fuller Canadian participation in the growth and the development of Canada. Such an institution is able to work closely with other members of the Canadian business and financial community and provide Canadian entrepreneurship with the access to more substantial concentrations of Canadian capital required to ensure a greater, and I emphasize this, Canadian presence in the growth of our economy.

The purposes of the Canada Development Corporation as set out in the act are essentially twofold: First, to help develop and maintain strong Canadian controlled and Canadian managed corporations in the private sector of the economy and, secondly, to give Canadians greater opportunities to invest and participate in the economic development of Canada.

I should like to draw particular attention to the second major purpose; that is, that the corporation should be owned by the Canadian public with as wide a distribution of its shares as possible. It was intended, and it is our expectation, that the CDC will be an attractive investment for Canadians, allowing them to participate directly and share in the profits from the growth of Canadian industry and the development of new industries which are owned and controlled by Canadians. The CDC, therefore, is uniquely Canadian with its voting shares held only by Canadian citizens and residents. Of course, before it can offer shares to the public the CDC should have a strong investment portfolio on which to base the offering. It is now in the process of putting together such a portfolio.

Although the Canada Development Corporation is only a little over one year old it has moved dynamically to meet its objectives. Its board of directors has selected six areas for initial investment. These are: The petrochemical industry and related activities; the petroleum and natural gas industry; northern pipelines and related Arctic transportation; the mining, smelting and refining industry; pharmaceuticals, medical equipment and other manufactured products relating to health care; and the venture capital industry.

The CDC has also established a corporate approach to the development of these areas. It plans and has begun to make its investments in these areas through vehicle companies which will have their own skilled staffs and specialized operating management. This will enable the CDC to keep a small, flexible and creative central staff to direct the general policy of the vehicle companies and to encourage them to remain innovative and growth oriented.

In the venture capital field, recognizing the importance of innovation and small businesses to the Canadian economy, the CDC has invested in a venture capital firm in Toronto, has acted as the catalyst and invested in the formation of a new venture capital firm in Vancouver and will soon be announcing the establishment of another such firm in Montreal.

In the pharmaceuticals and health care field, it has purchased Connaught Laboratories, along with a couple of smaller companies, to form the base for a major Canadian owned and controlled presence in this sector.

[Mr. Drury.]

• (1620)

The CDC is also a participant in the Arctic gas study group which is exploring the construction of a gas pipeline through the MacKenzie River Delta. It is putting itself in a position to play a major ownership role in the development of such a line should it be found to be feasible and desirable from a Canadian point of view.

Finally, and most important for this debate, it has purchased Polymer from the government as the vehicle company on which to build its investments in the petro-chemicals industry and related activities. Polymer Corporation was established as a Crown corporation in February 1942 to meet the threat of a rubber shortage during the war. After 1945, it was transformed from a wartime operation, fulfilling an urgent and strategic need, to a company operating on a normal profit-oriented commercial basis. To meet these objectives, the corporation developed export markets for its rubber and diversified somewhat its operation. By the latter part of the 1960's, following the rebuilding of Europe and Asia after the Second World War, in a highly competitive market and with declining international rubber prices, its rate of return decreased to unsatisfactory levels.

Consequently in 1969, the company diversified into completely new fields: computer time-sharing, housing and the plastics business. Much has been said about the profitability of Polymer and for a number of years it was a very profitable company. However, in 1971, after a number of years of unspectacular performance, its profit was less than $500,000, which as a return on shareholders' equity was only .4 per cent. Polymer was sold to the CDC on July 31, 1972 under Section 39(1) of the CDC Act. This section reads as follow:

> The Governor in Council may sell or cause to be sold to the company, at such fair and reasonable price as may be agreed upon by the Governor in Council and the company, the whole or any part of the capital stock of any or all of the following:
>
> (a) Polymer Corporation Limited;
>
> (b) Eldorado Nuclear Limited;
>
> (c) Panarctic Oils Ltd.; and
>
> (d) Northern Transportation Company Limited but subject, in the case of the capital stock of Panarctic Oils Ltd., to any agreements relating to the sale of capital stock held by the Crown.

Clear legal authority obviously existed, and there can be no question as to its legality. In accordance with the CDC Act which refers to a "fair and reasonable price", the government sought an independent assessment of Polymer. Wood Gundy made such an independent appraisal based on purely economic and financial factors. The Wood Gundy report suggested a range of values which was found to be in line with internal appraisals prepared in the Department of Finance and the Department of Supply and Services. On the basis of these valuations, the government entered negotiations with the CDC and a price was struck.

Mr. Nielsen: What did Wood Gundy say the price should be?

Mr. Drury: The Minister of Supply and Services (Mr. Goyer) will be saying more about this later in the debate. But I think we were successful in obtaining a fair and reasonable price.

Polymer is an important investment for the CDC because it forms one of the vehicle companies through which the CDC is working to meet its mandate of helping to develop strong Canadian controlled and managed corporations in the private sector of the economy. The CDC, with its significant private sector management experience and with its outstanding board of directors, is in an excellent position to revitalize Polymer and to use it as a vehicle company with which to establish a major Canadian-owned and managed corporation in the petrochemicals industry in Canada.

We are fortunate in having been able to obtain for the board of the CDC an outstanding group of directors. Many of these people represent exceptional success stories themselves, and they have contributed to the development of vigorous Canadian enterprises. They are selected from across Canada. Their participation in the CDC in this formative period is a clear indication of their support for the concept, and of their desire to see it work. The government is represented on the board by the Deputy Minister of Finance and the Deputy Minister of Industry, Trade and Commerce who serve in an ex officio capacity.

Mr. Stanfield: A couple of great forecasters!

Mr. Drury: Mr. Speaker, you will have noted that Section 39(1) of the CDC Act lists three other corporations in addition to Polymer—Eldorado Nuclear Limited, Panarctic Oils Ltd., and Northern Transportation Company Limited. The section is, of course, permissive and does not require the government to sell these corporations. The government has not taken any decision on the sale of the other three corporations. Each of these decisions will be carefully taken in the light of the government's policies in related areas.

Finally, Mr. Speaker, the CDC is one of the important measures the government has taken in order to widen the opportunities for Canadians to participate in their own development. It is anticipated that the shares of the CDC will ultimately be widely held by Canadians. It is also provided in the legislation that the government's participation should not fall below 10 per cent of the voting shares which will make it substantially the largest single shareholder. No other person is permitted to hold more than 3 per cent of the outstanding voting shares. Only Canadian citizens or residents can hold its voting shares.

Mr. Nielsen: Why did you not attach that condition to Polymer?

Mr. Drury: No other corporation in Canada is required by its objects to take into account national interest as well as profitability. With these unique characteristics, the CDC represents a significant partnership between the public and the private sector in the dynamic development of our economy. In the case of Polymer, it will enable that corporation to grow and develop as a full fledged member of the business and industrial community; and the CDC is helping broaden the opportunities for both Canadian skills and Canadian capital to participate in our own development.

Mr. Nielsen: Their shares can be held by foreigners.

Sale of Polymer

Mr. G. W. Baldwin (Peace River): Mr. Speaker, some of my colleagues will be dealing later at greater length with the remarks of the President of the Treasury Board (Mr. Drury). If the Minister of Supply and Services (Mr. Goyer) speaks, and if he has something of value to say contrary to what he said on Friday, that will be dealt with as well. I simply say here and now that our position has been consistent on this matter throughout. We opposed strenuously the conditions under which the Canada Development Corporation was formed. We said it was an economic monstrosity, and it has proven to be such. We took a position at the time of the debate which is consistent with our position today in opposing those provisions in the legislation which permit this sort of a rip-off to be made. We still feel the same way. We see no reason for putting a good, going concern into the hands of the friends of the Prime Minister (Mr. Trudeau) and the friends of the government for a toy and plaything. This is our position. We felt that way in 1971 and we feel that way now.

Let me for a moment deal with the shrill and hysterical remarks of the hon. member for York South (Mr. Lewis) who I think should consult with his seat mate with regard to the Standing Orders. He must realize—and if not he should be told shortly—that a motion of this kind under supply must be made before supply can be granted. That is according to the rules under which we operate. There may be a choice, although the words of the Standing Order are mandatory, whether or not it should be a matter of confidence. However, such a motion is made and at the expiration of that the government is free to introduce legislation, bring in the bill for interim supply and for the appropriations in respect of supplementary estimates which are then put forward. The fact is, Mr. Speaker, that the New Democratic Party stands shivering, trembling and shaking, fearful of the consequences to them of this vote without principle and without honour.

• (1630)

I suggest that if I had the time I would find, on examining the record, that members of the NDP have consistently throughout the course of the last parliament moved motions in the form of amendments to the Speech from the Throne when Her Majesty's loyal opposition, acting under the traditional rights which are inherent in the loyal opposition, brought forward amendments in that debate. We have found that our friends to my left without waiting and without being concerned about what legislative proposals would follow, have moved subamendments, and it is on such subamendments that the life of a government is at stake. The same situation applied during the course of the last parliament on each budget debate. Never has there been an occasion that I can recall when the NDP has failed to take advantage of the opportunity which it has to move such an amendment. For the hon. member for York South to take this position now, merely because he feels that he is in a position to put his hand on the hand of the Prime Minister (Mr. Trudeau) who exercises the levers of power in this country, is, in my opinion, a pretty poor performance.

Our position on this, as I said, has been consistent throughout, and so has the position of the NDP until today. Step by step, stage by stage in the passage of the legislation which brought into effect the Canada Develop-

ment Corporation, the NDP and our party have marched side by side. There were occasions when we might have had different motives and intents, but when one examines the debate on the legislation—save for some of the rather silly socialist amendments which were moved at the time of the report stage—one finds we were identical in the positions which we took.

Today, we can understand that the hon. member for York South has served clear notice on the House and on the country that he and his party are determined to support the government throughout in their alleged legislative proposals. We now see it quite clearly demonstrated that there is, in fact, a coalition government in this country, and the hon. member for York South has made it quite plain that that is the situation today, that that is what this country and this House has to expect in the days which lie ahead.

An hon. Member: They are stretcher bearers.

Mr. Baldwin: Let us just look very briefly at this matter of consistency. At the time the Canada Development Corporation bill was first before the House I moved on a point of order that the bill be dealt with as a hybrid bill because elements of the public and private sectors were brought together. I was supported on that by the hon. member for Winnipeg North Centre (Mr. Knowles). So amendments were moved at the second reading stage. The NDP moved an amendment and so did we. The amendment which I moved involved a suggestion that the subject matter of the bill be sent to the committee for study. That was rejected by the government. In the debate on second reading, statements were made by the hon. member for Edmonton West (Mr. Lambert) making it quite plain that one of the principal reasons we opposed the legislation was that it did, in fact, provide for the capacity of the Canada Development Corporation to take over Polymer. That was not only our position but the position of the NDP. The hon. member for Selkirk (Mr. Rowland), in what I thought was a very good speech on February 23, 1971, at page 3679 of *Hansard* said precisely this in speaking about the proposal. In the last sentence of the paragraph he summed it up as follows:

> Where is the equity in that kind of situation?

He was speaking about the sale of Polymer by the government to the Canada Development Corporation.

The Social Credit party, which is now quite uncertain of its position—something it has shown throughout this session—also took this position. The hon. member for Abitibi (Mr. Laprise), speaking for his party, made it quite plain that he objected to the legislative proposals and that he concurred in what was said by the hon. member for Edmonton West who, speaking for us, indicated one of the reasons for our objection was the right which existed for the Canada Development Corporation to take over Polymer. The Leader of the Opposition (Mr. Stanfield) who participated in the debate on March 2, 1971, said precisely the same thing in his contribution to the debate, and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) made the same proposition in a very strong speech. As recorded at page 3880 of *Hansard* of March 2, 1971, he said:

> The second reason why I call this bill a monstrosity is that it proposes to sell out four Crown corporations. It proposes to sell the Polymer Corporation, which produces synthetic rubber and which has been a very successful operation;

This is precisely the position which we have taken consistently, and I am amazed that my friends to my left have now seen fit to depart from this particular position.

In committee, after the Canada Development Corporation bill passed second reading, the same stance was taken. When it came back from the committee, there were some amendments at the report stage. One of the amendments which we supported was the amendment referred to by the hon. member for Yukon (Mr. Nielsen) which proposed to delete clause 39 giving the right to the Canada Development Corporation to take over Polymer. All opposition parties voted against the bill on third reading. When this matter came up in the Committee on Miscellaneous Estimates a short time ago, the hon. member for Yukon and other hon. members of our party who detected what had been suppressed so far by the government, pursued the issue and said exactly the same things then as they have said since.

This motion, then, is the natural product and the natural corollary of the position which this party took right from the very inception of the Canada Development Corporation proposal, throughout the debates on second and third reading and right until today. It was the natural, logical and inevitable step which we felt compelled to take because of the positions which we had taken in the past. So far as we are concerned, we would have been derelict in our duty if, knowing what the facts were, we had not taken this position. I quite accept the fact that it is not possible for this parliament, or at least for the House, by a motion of this kind to set aside the sale. That will take a new parliament and a new government. I suggest to my friends to my left who say—and I quite agree with the hon. member for York South on this—that this motion would not, in fact, result in the cancellation of the sale that it did result in there being a new government, it would start the process of dealing with this matter fairly adequately.

Mr. Sharp: Would you then cancel the sale?

Mr. Stanfield: You bet your life, on those terms. Don't worry about it.

Mr. Baldwin: Precisely. This has been our position throughout from the very beginning for good and adequate reasons, and I think the hon. member for Yukon and other hon. members who speak will make a very good case to show why this should be done. Certainly, spokesmen on the government side have made no case at all. The burden rests on them. They have failed miserably to discharge that burden. Unless they have some more adequate spokesmen for their side, I suggest that they stand guilty of making a very bad deal for the people of Canada.

• (1640)

On the question raised by the hon. member for York South about the legislation waiting approval, I gather from what he said that he is prepared for this parliament to continue interminably in the faint hope that the government, which has shown itself so lax, so impotent in its

parliamentary duties, will bring before this House the legislation which the country so badly needs. So far as we are concerned, with regard to the two proposals which are now in their final stages, the old age security bill and the bill dealing with war veterans allowances, we are prepared right now to make a firm arrangement that should the government be defeated we would still be prepared to pass the final stages of those two bills.

Of course, the hon. member for York South has made it quite plan that he is not going to cross his friends at this stage. But if some of his followers had a change of heart, and decided to do something for the people of Canada rather than something for their leader, it might well be that the government could be defeated. Those two bills should have been passed long ago, but some of our friends in the Creditiste party wanted a debate. That is their right. We do not want to interfere with that right. It was at our insistence that the pensions bill was speeded up initially. The Leader of the Opposition (Mr. Stanfield) made a suggestion along those lines during the course of the Throne Speech debate. So far as we are concerned, we have stood willing and ready at all times to expedite the passage of that legislation. We stand prepared to do so again, despite the results of the vote on this motion tonight.

What about my hon. friends to my left? I should quote from last Friday's *Hansard,* but the hon. member for Yukon has done so already. But I note with some interest that the *Globe and Mail,* in its edition of Saturday last, stated that in the comments to this House of the hon. member for York South he intimated, when he had been questioned by the hon. member for Yukon as to his intentions with regard to this bill, that he would condemn the bill with all his honour. Of course, this appears in *Hansard* as "with all his vigour." I quite take it that that is what he did say. I am sure that if he did say honour he would have made sure it would not appear in *Hansard* because, so far as the attitude of the NDP to this legislation is concerned, honour is one characteristic that seems to be singularly lacking.

The hon. member for York South said something about the juvenile attitude of this party. I would like to see a little more juvenility on the part of the NDP. What has happened to them, to their enterprise and interest? I think the hon. member for York South has dragged them rather hurriedly into a form of political menopause, and one must make allowances for them running around like a lot of headless chickens. I would remind the hon. member for York South of the phrase, "Oh, what a tangled web we weave when first we practice to deceive." With respect to this legislation, during the last day or so they have turned, and twisted, and struggled, and gone through such contortions as would break a snake's back if it attempted to follow their course of conduct.

They are only interested in staying as close as they can to the seats of power, to the seats of the mighty, to hold on with their trembling little hands to the few crumbs of power thrown to them by the Prime Minister (Mr. Trudeau) and the government. I do not think there has ever been such a case of distorted sharing of power since the days of the early Roman emperors when the tyrant Caligula attempted to make his horse the proconsul.

Mr. Fraser: Which end?

Mr. Baldwin: The result has been that the NDP has been into a state of sputtering inertia, and we all know who does most of the sputtering. I would suggest that a review of the facts in this case would indicate that one party throughout has taken a position consistent with its principles, consistent with the position it took in 1971 on all stages of the legislation, consistent with the position it took in committee.

We have presented this motion in good faith and in honesty. If we did not do it we would be derelict in our duty as Her Majesty's Loyal Opposition, having once had it brought to our attention as it was last week, that the government had attempted to consumate this sale. And in the light of our previous attitude, in the light of the position we had taken, if we did not move a motion of this kind we would not deserve to be and continue to be Her Majesty's Loyal Opposition for the time being, and to be the government after the next election, which I hope may not be too long delayed.

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, much comment has been offered in this House by the hon. members of the opposition on the comparison of Polymer's book value as at December 31, 1971, of $118 million and the government's selling price to Canada Development Corporation of $62 million to $72 million. For the information of the House, I would like to describe the approach used in arriving at what is considered to be a fair and reasonable selling price.

First, to touch on a conceptual aspect of investment valuation, as hon. members know the book value of a company is not primarily the basis upon which an investor arrives at a price which he is prepared to pay for a company's shares. Rather, it is the earnings capability of a company as a going concern which generally governs its price. One merely has to look at the recent price actions of company shares listed on the North American exchanges to confirm this.

In recent weeks there has been a substantial decline in the prices of these shares, which is quite unrelated to their book values. The downward share price changes reflect not so much the change in book value but investor concern about the future level of corporate earnings in the face of higher interest rates, inflation and international monetary conditions. It is not unusual for the market value of companies to fall below their book values. The shares of a number of major Canadian companies have sold in recent years, at one time or another, at levels well below their equivalent book values.

I will now deal specifically with the valuation of Polymer for sale purposes. One of the difficulties in establishing a valuation for Polymer is that, not being a company with its shares traded in the market place, there are no share market values, current or past, to which reference can be made. At the time of the sale one might have said that the sale value ranged from $30 million, the government's original investment, to the shareholders' book value equity of $118 million. Neither of these extremes could have been realistically supported.

However, it was possible to approach the valuation in the same manner as would an outside investor. An

informed and critical investor would take note of the earnings history of Polymer and its future earnings potential. He would examine the quality of these earnings and he would observe that while the company had been profitable over the years, earnings were on the decline, setting aside the exceptionally good year of 1969 which reflected unusually high product prices and favourable changes in foreign exchange rates.

• (1650)

Mr. Nielsen: Let us have a look at the last financial statement.

Mr. Goyer: I will table it when I receive it, as promised to the hon. member.

This investor will note that while the company was attempting to diversify, it was still dependent upon rubber as the prime source of its earnings, a product area of strong competition and increasingly higher raw material costs. For investment purposes, he would categorize it with other rubber based companies, but would conclude that it seemed more vulnerable and less well diversified than its competitors. On this basis, using a price/earnings method of valuation, he would give Polymer a multiple somewhat below those of other rubber companies which in themselves have relatively low price/earnings ratios in the order of 10 to 12. This is the case with Goodyear. Such was the investment approach taken in establishing the sale price of Polymer. The application of several investment valuation methods based on price/earnings ratios and discounted cash flows were used to arrive at a fair market selling price range of approximately $55 to $70 million. It was within this range that the selling price of $62 million plus was negotiated.

The basic selling price of $62 million can be expressed as a price/earnings ratio of approximately eight in relation to 1972 rubber, latex and plastics profits, as estimated at the time of valuation.

Mr. Nielsen: How can a government negotiate with itself?

Mr. Goyer: The selling price formula provides that the government will participate equally in 1973 and 1974 profits over a base amount, to a maximum of an additional $10 million. Any additional payment will be calculated by multiplying by four, the amount by which the average of 1973 and 1974 profits exceeds a base of $7.5 million. I bring to your attention that this calculation gives the same result as multiplying the one half of the excess profits over the base of $7.5 million by a price/earnings ratio of eight.

Mr. Stanfield: Mr. Speaker, would the minister permit a question?

Mr. Goyer: May I finish and then I will answer. It is worth noting that the selling price falls approximately at the mid-point of the fair market selling price range and any additional payment received under the selling price formula will bring the final price into the upper end of the range.

To conclude, keeping in mind that establishing a market value for a company is not an exact science at any time, it is my opinion that the methods used in evaluating Polymer for sale purposes were consistent with accepted investment valuation concepts and the selling price so arrived at was fair and reasonable.

[Mr. Goyer.]

Mr. Deputy Speaker: The hon. Leader of the Opposition has a question.

Mr. Stanfield: Mr. Speaker, I should like to ask the minister whether I understood him correctly when he said that the government would receive nothing more than the base price of $60 million unless the earnings of Polymer during the next few years exceed $7½ million in each year. Was the valuation of Polymer made on the basis of an assumed rate of earnings or $7½ million?

Mr. Goyer: Mr. Speaker, in trying to find out the more exact figure which can really meet with our goal to have a reasonable price, of course we looked into the profits base of Polymer and where they came from. This is why we base our evaluation at $7.5 million for rubber, latex and plastics bearing in mind that the company experienced a very bad year two years ago. It might be unusual because it is a cyclical process in this activity. If you look at the profits of Polymer over a period of ten years you will easily discover that this company has suffered ups and downs and we believe that might be the case in the future.

Mr. Stanfield: One further question.

Mr. Deputy Speaker: The hon. Leader of the Opposition (Mr. Stanfield) with a question.

An hon. Member: Make a speech.

Mr. Stanfield: I intend to. In view of the resumé the minister has given us as to the basis on which the valuation was reached will he table in this House the evaluation reports—he eventually got two or three, one from the government and two from outside. Will he table these or if not will he blame us for being suspicious of what is going on?

Mr. Goyer: The President of the Treasury Board (Mr. Drury) on behalf of the Minister of Finance (Mr. Turner) dealt with this question on Friday and answered that he was going to look into the question. One has to bear in mind that the future of Polymer may be at stake, and if those valuation reports were to be revealed publicly one could expect that the competitive position of the company could be impaired. I do not think this is the intention of the opposite side, to place Polymer in that situation.

Mr. Lambert (Edmonton West): This is patent nonsense.

Mr. Yewchuk: Mr. Speaker, in view of the fact that the explanation given as to how the price of $62 million was arrived at, if the minister has a copy of the report, I wonder if he would agree to quote the paragraph in order to explain the situation a little better to members on this side?

Mr. Deputy Speaker: Order, please. I think that would put us in the position of ruling that if a report is quoted from in part, it would have to be tabled. I think the

minister has indicated that the report is being withheld for the time being.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I enter this debate for what is to me a very profound reason. Many years ago I belonged to a group of young men who were very distressed at the way that much of the industry of Canada, particularly on the resources side, was falling into the hands of those who lived outside and whose interests were outside Canada.

In the perusal of the problem the idea of developing a pool of capital controlled by Canadians available to industries, available to resource enterprise at the development stages, came into crystalization in our minds. This idea was not just with the group that I belonged to. A Mr. Ball, at that time the President of the Bank of Montreal, felt so keenly about the lack of institutions in Canada that would pool capital to help Canadians get ownership of their own country that on behalf of his bank he submitted a proposal to the Gordon Royal Commission in 1955. This is the first time that I know of that a national development fund, a national development corporation or, as it is now called, a Canada Development Corporation, was advocated. I give full credit to the late Mr. Ball for putting this forward where it should be put forward, to a Royal Commission looking at Canada's prospects.

I was amazed on reading *Hansard* for Friday to find out that all this tribulation and concern about the future of our nation, and all the serious efforts to put it in the place where it should be dealt with, by parliament, was ignored by the NDP historians. They only went back to the year 1961 when the world was created by the founding of the NDP. I want to serve notice to those Johnny-come-Lately's who are trying to fight the battle for Canadian participation in the ownership of the economy of this country that many people were doing this for many decades, before we even heard of these pseudo socialists.

• (1700)

Let me put a fact of history on the record. At the convention of the party to which I belong we proposed this legislation in 1956, long before the Gordon Commission Report came down. The resolution respecting the legislation was proposed and the final draft was actually written by the hon. member for Yukon (Mr. Nielsen) and me. That resolution proposed that if we ever acquired power we would progressively support investment ventures in co-operation with provinces, municipalities, corporations and individuals that were directly self-liquidating or were indirectly self-liquidating.

So, after we formed the government, in the early part of 1958, I think, one of our first proposals was that for setting up some form of national development corporation which would provide the framework for individuals privately and for the banks, insurance companies, mutual funds and pension funds to contribute money to the corporation. The key to success was to have a staff highly skilled at examining proposals involving resources and manufacturing and recommending if action should be taken. That was studied. We employed in that study one of the leading economists of the banks. Currently, he is a civil servant. We also employed leading men from the business world in drawing up those plans. It is my regret as a person, and I believe it is the regret of most Canadians, that other priorities came to the fore in 1961. The productivity council was given priority over this proposal. In 1962, it was the economic council, which was mentioned in the Speech from the Throne. It had priority over this proposal.

When the government changed in 1963 the head of the commission known as the Gordon Royal Commission moved swiftly to announce that he was in support of this concept. That is why many Liberals give the credit for this concept to Walter Gordon, a very fine Canadian nationalist. But the truth is that even though that brief had been submitted in 1955, even though it was discussed in that volume by Woods, in one of the 20 or so volumes published along with the Gordon Royal Commission Report, the recommendation for the Canada Development Corporation was not mentioned in the preliminary report of the Gordon Royal Commission; nor was it mentioned in the final report. I am sure Walter Gordon rued the day he did not see the value of that recommendation when he wrote the report.

I mention this history to show the background of my concern over the actions of the government. One thing is very clear. Many of us still believe, 20 years later, that Canada lacks a financial institution into which individuals, financial corporations and pension funds can freely put their money with confidence so that, if various proposals are examined and found feasible, our people will be given the chance as a collective group to own a share, or equity, in the development of this country.

That principle is being endangered by the actions of the present government in its dealings involving Polymer. The NDP position is absolutely sound. They say that by selling it, the government will not add one more corporation that will act in the interests of our Canadian wellbeing, because the Polymer corporation is already Canadian. The NDP was against setting up the Canada Development Corporation with the takeover of Crown corporations in the legislation when the bill was introduced in 1971. They were against the takeover setup of the Canada Development Corporation last Friday, and so were the Conservatives. Our reasons may be different. The NDP thinks the country should be run more and more by corporations which are, in essence, socialist corporations; and our view is that individual Canadians should participate in the ownership of this country. We suggest that they should participate through banks and other institutions, provided that their actions benefit the country.

Regardless of the difference between the NDP and Conservatives in the matter of motivation, we both stood up and were counted in 1971. We both share a concern with respect to the deep, fundamental principles underlying the Canada Development Corporation. We do not think it should use its limited amount of money for buying existing Crown corporations. It is on that basis, Mr. Speaker, that I ask NDP supporters across this country if they will stand up for what they believed on Friday last. Will they stand up for what they believed in 1971? Do they still believe what they have always believed, that Canadians are the ones who are guilty in not taking steps to invest more of their own money in their own country.

We know that in the United States, a nation which spends its money more freely than we do, over 40 per cent of the population owns equities in American companies. The figure, in this country, is realistically less than 4 per cent. We know that Canadian tax laws discriminate against Canadians owning resources and owning equities in Canadian companies. Every time we try to get around these difficulties in the way the Gordon Commission was supposed to get around them we end up by frittering away our money in buying up Crown corporations which have nothing to do with the main issue, that of giving an opportunity to Canadians to share in the growing wealth of this nation and giving them a feeling that they control their own future.

The present Canada Development Corporation hardly meets the concept we dreamed about 20 years ago. However, my party and the NDP have this in common: We want Canadians to be given opportunities in their own country, and such a corporation ought to be the vehicle for doing this. I do not think that too many people will be uptight about the spurious argument that we are taking away the old age pension, or veterans' pensions, or anything else if we vote as we see fit and proper on this issue that is important, not only for this generation but for many generations to come.

I think the present leadership of the NDP protests too much. It seems to me they are too fat to fight and too frightened to run, and they want the present Prime Minister (Mr. Trudeau) to continue in office, even if other NDP supporters do not. So, this party paralyzed with panic is losing its credibility. No longer will they be able to, like unctuous undertakers, lay the body at rest and speak with that deep voice of dignity as they look down on the rest of us humans. No longer will they be the psalm singing sanctimonious types who have disgraced public life in this country for so many years; because they are the same as the Liberals they associate with, who know nothing but keeping power at any cost. Pragmatism is what they call it. Most of them espouse no principles. Their only faith has to do with staying in power.

I want to conclude, but not on this miserably low level, where one talks of the value of a corporation and the percentage points of stock increase. I want to conclude on a note of optimism, because there are opportunities for Canadians. In the next seven or ten years we will need between $75 billion and $100 billion of new investment in Canada, in pipelines, maintaining power developments, creating secondary industry, and so on. We will need millions invested in the petrochemical industry. Anyone who understands dollars and cents knows how important that industry is to Canada. The future of the petrochemical industry ought to be brightest in western Canada. That is where that industry can be most economically developed, because there the industry is close to gas at low cost. Right today, a ton of ammonia, because of rising gas costs, in Texas and Louisiana, the heart of the petrochemical industry of the United States, costs $15. That same ton of ammonia at Sarnia, where we have Dow, CIB and Polymer, costs $14. Ammonia is the lifeblood of the nation. We need it for fertilizer. That same ton of ammonia could be produced in Alberta, British Columbia and Saskatchewan for about $7.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Why should the consumer of fertilizer and people who depend on food that is produced from fertilizer have to pay such high costs? Why should the very limited amount of money of Canada Development Corporation be put into a loser, as the Minister of Supply and Services (Mr. Goyer) suggested today? It is true that Polymer does not have to be a loser. It should be allowed to go out and compete. Why not give lots of opportunities where it can compete, where it can get out into the country where it should be, and where the resources are cheap?

• (1710)

I now want to deal with pipelines. Many pipelines are going to be built in this country in the next few years. Let us look at it on the basis of what we are now looking at, namely, investment. The average rate of return to original investors on pipelines is 27 per cent every year. In Canada, the average rate of return on pipelines is 40 per cent. Why should Canadians not get a chance at the original investment on these pipelines? Why should the Canadian Development Corporation not tell the Canadian people about the opportunity to pool their funds for this big development?

The situation is the same with mining. In exploration, there are too many risks for the Canada Development Corporation. That is what the entrepreneurs will have to do. In the development stage of mining, where the odds are 20 to one against you, there is a place for the Canada Development Corporation to spend a few thousand dollars. When it comes to financing, why not take 15, 20 or 25 per cent? Then, the return on your money is around 20 per cent.

The Canada Development Corporation should not get into an operation once it is fully operational. There is only about 5 per cent return on companies fully operational. The money is made at the development and financing stages, in other words, at the beginning. This is what the CDC should be doing, not using up its money on what seem to be political directives from the government to try to take over a group of Crown corporations that lack energy and directive.

This motion of lack of confidence in the government is more than just an issue of chiding the government for a small mistake. To Canadians, this is a gut issue. They believe that more of Canada should be owned by Canadians, not by negative restrictions against the other person, but by positive action in this way.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): This nation has a tremendous future, but we lack the institutions to pool Canadian capital and to invest it. If the Canada Development Corporation gets up off its seat and does this sort of thing, I hope that private enterprise goes out and competes so that Canadians will have many ways of sharing in the great wealth of the future.

I listened to the speech by the President of the Treasury Board (Mr. Drury). He said that the Canada Development Corporation is for wider opportunities for Canadians. How soon? We owned Polymer. There is no wider opportunity here. Then, we go to the speech by the Minister of Supply and Services (Mr. Goyer). He talked about the

value of Polymer and what little money it is making. What is he trying to do with this undertaker philosophy? Surely if you are going to try and get people to invest in the Canada Development Corporation, you do not want to tell the House on March 26 that the CDC has bought a "turkey".

I do not know why the ministers are trying to destroy the Canada Development Corporation. If you want to sell the Canada Development Corporation and prove that Polymer was a good buy, speak about all the opportunities that Polymer will have, if they took the finger out and went to work on the petro-chemical industries where they should be and got at the market.

I realize that my time is almost up, Mr. Speaker. I would like to believe that in all parties of this House there is a common desire to try to save the concept of the Canada Development Corporation. We on this side do not approve of what it is doing. We do not approve of what Walter Gordon proposed when he suggested buying back companies owned by foreigners. The Canada Development Corporation should be a place where Canadians can pool their funds and get at the ownership of companies when they are developing. That is where the money is and that is where the control is.

I hope that the New Democratic Party will come back to the principles they used to hold. I hope that in the Liberal party there are many who still believe as Walter Gordon believed, that there is a place for Canadians to invest in Canada. By the government's actions these past two years on the Canada Development Corporation and by shifting Polymer, as well as other things, it is destroying what little chance this institution had to make a useful contribution. I hope that in their conscience all members will vote this administration out and get this country on its way again.

Some hon. Members: Hear, hear!

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, during the course of the opening remarks of the hon. member for Yukon (Mr. Nielsen), he said that upon seeing me in the House he hoped I would rise and participate. I indicated that I would. However, what surprises me is the lack of initiative shown by the hon. member for Halton (Mr. O'Connor).

When the former member for Halton was in this House, Polymer Corporation was thinking of expanding. He found out that it might be moving into his constituency. He moved heaven and earth by calling management personnel, boards of directors and everyone else and was eventually successful in having Polymer, when it began its diversifying program, develop in the riding of Halton. Today I ask, where is the member for Halton and why is he not participating in this debate?

Some hon. Members: Hear, hear!

Mr. Cullen: I was prepared to take notes on the comments made by the hon. member who spoke before me. However, after listening to his speech, I gained the impression that too many Conservatives took part in the throne speech debate and the budget debate and since, he did not get an opportunity at that time, he felt this might be a good time to work in a speech. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) had very little to say about the sale of Polymer to the Canada Development Corporation.

My first reaction upon reading the motion of the hon. member for Yukon was that it is a little late in the day for such a move. At the time of establishing the Canada Development Corporation, it was made quite clear that it was the intention of the government that the Canada Development Corporation should have the right to purchase crown corporations and, among them, Polymer Corporation. The hon. member for Yukon said it was shrouded in secrecy, it came as a surprise move and nobody knew about it. That is pure, unadulterated nonsense and the hon. member knows it.

One gets the impression that the heart of the Progressive Conservative party is no more in this particular motion than it was in an earlier motion to prohibit members of the Senate from sitting on the special committee on food prices. That motion was a political tactic, as is this one, in the hope of embarrassing the New Democratic Party.

Some hon. Members: Hear, hear!

Mr. Cullen: What makes this move so weak is the fact that it is so patently obvious. Unhappily, and this is what makes me seethe with anger, it works to the detriment of Polymer Corporation and the effectiveness of the Canada Development Corporation. This really disturbs me. It endangers the jobs held by those who are presently working at Polymer Corporation.

• (1720)

The hon. member for Peace River (Mr. Baldwin) says the Conservative party has been consistent. I would agree with him in this: they have been consistently wrong. How short are the memories of members of the Conservative party. We heard the hon. member for Yukon today pay tribute to the calibre of Polymer management and administration. But only a year ago when people were laid off by Polymer the hon. member for Oxford (Mr. Nesbitt), the hon. member for Hamilton West (Mr. Alexander) and others in his party, were damning that same management for the action taken at that time. Is this consistency, Mr. Speaker?

When action was taken to dismiss workers in Polymer Corporation, particularly those in the research and development branch, the suggestion was made that the federal government should do something to preserve these jobs. This, in effect, is what has been done as a result of the sale. The federal government set up a joint chemical committee. The petro-chemical industry is experiencing trouble not only in western Canada. Contrary to what was said by the hon. gentleman who has just sat down, it is experiencing trouble all across Canada. Besides, we in Sarnia are not thinking just of eastern Canada. We are thinking of all of Canada. We are not trying to take industry out of western Canada and put it in eastern Canada. We say we want to do what is best for the petrochemical industry generally. If it is better to put it in western Canada, by all means do so. But let us not locate it in one section with the result that eastern Canada suffers.

The hon. member who spoke before me should study the question more deeply. There are 1800 people working for Polymer in the Sarnia area now who are not very happy to hear their plant described as a turkey. When people were laid off by Polymer Corporation I was one of the most vociferous in my representations because it seemed that long-term employees were being sacrificed in order that Polymer might be able to show, once again, a profit on its books, albeit an extremely small one. I expressed the view in this House that Polymer Corporation, like other corporations, could surely sustain a loss in the interest of retaining employees while it looked for reasons behind its loss of profits and took action to remedy the situation. The corporation did take such an initiative and took the lead by diversifying its interests and establishing plants from which profits could be made, thereby bringing new life to operations in Canada—in Halton, Sarnia and other places throughout the world.

We have seen profits of the corporation dwindle from some $15 million to $500,000 in the year the lay-offs took place—that profit came, incidentally, after the lay-offs had taken place. It was obvious, then, that Polymer needed to diversify its operations. The necessary action was taken. It also became apparent that an injection of capital and new ideas were needed if the corporation was to survive. It was for this reason that I welcomed the Canada Development Corporation legislation and the proceedings which resulted in the offer for sale of the shares of Polymer Corporation. I viewed this as a step forward and as an opportunity for Polymer to expand, not only saving jobs already in existence but, hopefully, creating more.

There have been some suggestions that Polymer was sold below its market value. I do not share that view. Much has been made of the book value of the corporation and some hon. members have suggested that this should be the criterion governing the price. Let me remind hon. members, though, and particularly members of the Official Opposition, that there is a heavy water plant in Nova Scotia which has a fantastic book value. But purchasers are not running down there with their cheque books open ready to pay the book value.

Mr. Lambert (Edmonton West): And who took credit for that one? What about MacEachen? That was a Liberal decision.

An hon. Member: Stanfield isn't much of a Liberal.

Mr. Cullen: Many formulas are used as bases for arriving at a fair price and, although the public will be treating this particular debate with a yawn, as well they should—

Some hon. Members: Oh, oh!

Mr. Cullen: I know I am right, now. I am getting through to the hon. member for Edmonton West (Mr. Lambert). There is no way he can sit quietly in his seat when we begin to mention some of the things which should be bothering his conscience, now that his party has brought this silly motion before the House. I said this debate will be treated with a yawn, and so it will be, because we know, now, it was only a political tactic. It is as easy to see through as a pane of glass. The New Democratic Party knows that the hokery-pokery we have seen will not win any votes across the country. There was no question that the arrangements for the sale of this corporation would be subject to public scrutiny. The financial position is, of course, subject to audit by the Auditor General. We have heard about the steps taken prior to this sale, and insofar as possible in a transaction of this kind, I believe what has taken place would be called an arm's length transaction.

Mr. Lambert (Edmonton West): It had better be.

Mr. Cullen: The ironical feature of this motion is that it fails to take account of the improved position in which Polymer now finds itself as a result of the sale authorized by the Order-in-Council in 1972. There was a time, particularly before the lay-offs, when it seemed that Polymer had no opportunity to expand. There was a fear that in addition to employees already laid off there would have to be further massive lay-offs. This is no longer the position, and employees can breathe a sigh of relief. Or, at least, they could, until the Official Opposition saw fit at this most preposterous of times to bring down a political motion.

Some hon. Members: Hear, hear!

Mr. Alexander: Not too much enthusiasm over there. Better get together. Only two of you.

Mr. Hopkins: If you are interested in people you should be over here. You are out of context.

Mr. Alexander: History is now being written.

Mr. Cullen: The Sarnia Olefin and Aromatic project was, at the outset, a project proposed by three corporations, Dupont, Dow and Polymer. What is envisaged, now, is a world-scale ethylene plant. This would provide appropriate stocks both to Polymer Corporation and to Dupont and enable them to compete more effectively in the market. Is this project to be jeopardized by a motion which is at best questionable and, at worst, irresponsible? I can assure members of the opposition that the employees of Polymer Corporation will not thank them for bringing this motion forward. I see it as reprehensible in the extreme.

Mr. Lambert (Edmonton West): Parish pump politics.

Mr. Cullen: The hon. member for Edmonton West says "politics".

Mr. Lambert (Edmonton West): I said "parish pump politics".

Mr. Cullen: Surely there are issues in Canada of far more significance than the sale of one Crown corporation to another government-controlled corporation suitable for discussion as an appropriate motion under the terms of Standing Order 58. One is moved to comment that during the last parliament when the Official Opposition was working in consort with the NDP their motions were better worded. One wonders whether the motions brought forward in the last parliament were not the result of

guidance of the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Lambert (Edmonton West): Pure buttering up.

Mr. Knowles (Winnipeg North Centre): Some of them, I certainly would not have approved.

Mr. Cullen: I regret that this motion has been brought forward. I can see it having harmful effects on Polymer Corporation at a time when it is once again coming into its own as a result of new ideas and the injection of new capital following its purchases by CDC. If this motion or any other tactic adopted by the Official Opposition has the result of destroying the business effectiveness of Polymer, its employees will not have to look beyond the Conservative Party for the culprit.

I said that this motion came a little late in the day. Appropriately enough, during the last election campaign, the New Democratic party and its candidate in my constituency did challenge the sale of the corporation on two grounds. First, because the sale price was too low and, second, because in the final analysis it would not be the average Canadian who would purchase shares in the Canada Development Corporation, and thus, in the long run the Canadian taxpayer would lose the advantage of profits created by the corporation. These two issues were debated at the right time and in the right place. The address today by the Minister of Supply and Services (Mr. Goyer) clearly showed that an appropriate and just purchase price was paid. As to the second argument, it would really be up to the Canadian public to decide whether they derive advantage from the work of the Canada Development Corporation. There are millions of dollars lying about in this country in savings banks and other places which could be invested in Canada. The Canada Development Corporation will provide this opportunity.

It is my hope that the Canadian public will answer the challenge to invest in Canada and that stocks and shares will be purchased by many more Canadians than would have received a dividend on profits from the Polymer Corporation. I understand there are about eight million taxpayers in Canada, and that if Polymer Corporation turned over $8 million to the federal government, each taxpayer would benefit to the extent of $1. I suggest it is well within the investment capacity of Canadians to derive substantially more from investment in the Canada Development Corporation, and I am satisfied that future developments will bear this out if Canadians invest in Canada.

• (1730)

I hope I did not hear the hon. member for Peace River correctly when I thought he said in answer to an interjection, that if his party formed the government they would set aside the sale. I hope that is not right. Surely they have done enough damage to date without making statements such as that. When we are talking about Polymer, we are not only talking about a corporation; we are talking about people. That is why I hope that if the Tories form the government, they will not make good this threat, because they will be attacking innocent people working for the corporation. If they followed such a suggestion, or that of the hon. member for Yukon (Mr. Nielsen), I suggest it would hurt the employees of Polymer.

In speeches from the Official Opposition we have not yet heard anything in opposition to the sale of Polymer Corporation. The speeches have represented an attack on the NDP and the position it takes. I say to members of the NDP that if they vote in favour of this motion they will be in fact voting against the man working at Polymer Corporation in the city of Sarnia.

Some hon. Members: Hear, hear!

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have known the hon. member for Sarnia-Lambton (Mr. Cullen) for a considerable time and thought he had a great deal more ability and, I am sorry to say, integrity than displayed in his speech this afternoon. His speech distorts the whole matter we are debating this afternoon. He has alleged that this is an attack on Polymer as such and an attack on the workers of that corporation. If the hon. member persists in that line I will say that it is a public lie, because there is nothing in this motion or in this debate—

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): —that touches upon the structure of Polymer in any way. There is nothing in this motion that will reduce its capitalization; there is nothing that will change the effectiveness of its marketing organization; there is nothing that will effect its marketing function. And the motion was not designed for that purpose. Because of a paucity of ideas, the hon. member, in trying to reply to this motion, has raised this spectre, this red herring. I repeat, it is a public lie that this is an attack on Polymer or the people of Sarnia.

The Acting Speaker (Mr. Laniel): Order, please. The Chair does not wish to become involved in the debate, but I wonder if the hon. member is not going a little far. Perhaps there is a way for him to qualify his statement. Hon. members cannot accuse other members of wilfully lying to this House. I just want to warn the hon. member not to go too far in that direction.

Mr. Lambert (Edmonton West): Mr. Speaker, I am amazed at your sensitivity in respect of these words. I used the words "public lie"; I did not say the hon. member was lying to this House. If he persists in that argument, then it is a public lie. I am well aware of the rules in respect of calling an hon. member a liar, and I know the hon. member too well for that. But this argument as put forward is a public lie. I have no doubt that the hon. member wants to show himself as the great champion of the people of Sarnia. That is perfectly all right, and he can engage in all kinds of parish pump politics—and I say he was engaging in parish pump politics in his speech this afternoon—but it is not a fact that this motion is an attack upon Polymer.

Vote 16b is being debated on the basis of the rules. This is an opposition day on which we can discuss the estimates.

An hon. Member: Oh, oh!

Sale of Polymer

Mr. Lambert (Edmonton West): I invite the hon. member to stand on his feet and express his ideas at the appropriate stage. All he does is sit in his seat and heckle like a crow on a fence post. There are a number of questions raised today, first of all having to do with the valuation of Polymer. This question has been discussed back and forth. I am not going to go into detail, but this is an important matter within the portfolio of the Canada Development Corporation. We have been told by judicious press releases from the management of the CDC that there will be shares of the CDC put on the market before too long. We know that Polymer is the flagship of the CDC and is its chief earner.

We want to find out these things on behalf of potential investors in the CDC, and this is where I quarrel with the minister when he says it is not entirely within the public interest to release valuation reports of Polymer as a going concern. Does he not consider that when the CDC does go public it will have to file that information with the securities commissions across the country? They will have to disclose the valuation of the assets of the CDC. I suggest that the CDC does not have one asset of a productive nature. It is a holding operation entirely controlled by the government. Ultimately, some of the shares of the CDC may be sold to the public. At that time there will have to be full disclosure of valuation, and I do not refer to book valuation; we will want asset valuation. Surely the CDC will have to make full disclosure of that information when it puts its shares on the market.

I know that my friends in the NDP, and many others, are critical of the secrecy which surrounds the issuance of the stock of various corporations. This is one corporation that will have to show the whole picture covering the total valuations of Polymer, Venturetek, Raylo Chemicals and R & L Molecular Research Limited. These companies are in Edmonton and are such that very few people have heard of them. I happen to know most of the principals. The point is that if hon. members wish to make a study of these things, they should look at the reports of the committee which considered this matter. Perhaps then they will understand some of the questions raised. We want to know what these companies are and what will be their earning record. Everything of this nature has to be disclosed.

• (1740)

However, when dealing, as we are now, with the sale of a Crown corporation which reported to parliament and which was sold, or passed on in a paper transaction to another Crown corporation, the minister says it is not in the public interest to disclose the valuation to parliament. It is as though the minister and his officials are the only ones, apart from the responsible directors of both concerns, Polymer and the CDC, entitled to this information. That is essentially the position the minister adopted this afternoon. The Parliament of Canada, to which both organizations are responsible, is to be denied, by government decision, this information because it is said not to be in the public interest for us to have it. Is it sufficient to accept what the minister discloses and what was judged to be the value by his predecessor and his officials? No, that is not enough. Parliament has a right to know.

[Mr. Lambert (Edmonton West).]

[*Translation*]

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order. Is the hon. member rising on a question of privilege or on a point of order?

Mr. Pelletier (Sherbrooke): Mr. Speaker, I have a question for the hon. member.

Mr. Lambert (Edmonton West): When I have finished my remarks. That, moreover, is the position the hon. minister took earlier, so I can do likewise. The hon. member will get a chance to ask his question later on.

[*English*]

The other point I want to bring forward to this House is that debate on vote 16b is the only way in which parliament can comment on the sale of Polymer. This was foreseen in the passage of the CDC bill in 1971. Certainly there were objections. The New Democratic Party opposed the passage of section 39 of the act for its reasons. We opposed it for our reasons. It seems to me that this goes back to the fundamental weakness of the CDC; that is, it is a development corporation, allegedly, in purpose. Therefore, its purpose is to invest funds, to gather funds from the public for the development of Canadian industry. It can do that in various ways so that it can establish the trust that is necessary.

I can tell the minister, although he knows, that a number of previous attempts to do this were unsuccessful. All that has been done for the public is that the public's money has been invested in certain things. La Société Générale de Financement is one example. The Alberta Development Fund is another. That was a real turkey. What must we have? We must have a dividend record company. Investors will want their dividends or they will want an idea of what is the anticipated growth. Of course, this government has brought in a form of capital gains tax which will certainly discourage most people from going after growth stock. Unless these corporations which will be bought into the CDC, or in which the CDC will invest money, provide income to the CDC there will be no way they can pay dividends.

I draw to the attention of the hon. member for Sarnia that this is one of the big difficulties which I foresee. One of the more limiting factors which may apply to the future expansion of Polymer will be what the directors of the CDC decide. Are they going to maintain a good front before the public, utilizing the medium chiefly provided by the profitable operation of Polymer and payable to the CDC, so as to pay dividends on CDC stock; or are they going to withhold the dividends of the CDC in order to leave the moneys available to Polymer for development capital? You can put a company under in many ways. One of the surest ways is to bleed off all its financial resources through dividends, leaving no money whatsoever for expansion and necessary working capital. This is the danger. There will be a conflict of interest in the management of the CDC which will operate to the potential detriment of Polymer.

This is where I have some difficulty in accepting the tie-in of Polymer within the CDC when it is not part of the purpose of CDC. Let us take Venturetek: it is possible. With the other companies in Edmonton, it is possible.

They may be developed. Connaught Laboratories is an existing operation. If this were done for the purpose of preventing the sale or collapse of Connaught Laboratories, there may have been justification. If, on the other hand, it is merely the taking over of Connaught Laboratories because it is a viable operation and will provide revenues, then again we have a potential conflict of interest. That is where it is wrong in so far as a development corporation is concerned. Otherwise let us call it the Canadian "Mutual" or "General Holding" company. This is by way of an invitation to a mutual company through the directors appointed by the government.

Also, somewhere along the line we will want full information in respect of the Venturetek company, where people who were formerly involved in a section of the Department of Industry, Trade and Commerce seem to have rather interesting, shall we say, parallel knowledge with regard to the CDC and Venturetek. If there is to be absolute public confidence in the CDC, there must be a ventilation of the Venturetek situation. That is why this whole question has come forward. It arises out of the disclosures made before the Standing Committee on Miscellaneous Estimates the other day to the effect that there was something wrong with vote 16b. We have the full explanation of the $1 item that was furnished to the committee after the event. This is a clear case of amending legislation by the use of a $1 item. This is the explanation:

> It is requested that the title "Polymer Corporation Limited" be deleted as of July 31, 1972, from the schedule of Crown Corporations (Provincial Taxes and Fees) Act and from schedule D to the Financial Administration Act since this corporation is now being purchased by the Canada Development Corporation.

• (1750)

Mr. Speaker, that is the sole official explanation for vote 16b of Supplementary Estimates (B). This is the $1 item. We are disapproving the utilization of this particular item, the reasons given, the valuation, the wrongful purpose within the CDC, the lack of information and the use of the $1 item. Those are the reasons this motion has been put forward.

This is not an attack on Polymer, not one bit. We have witnessed the uneasy conscience of one who feels as though he were treading on dangerous ground, who feels that even one word of potential criticism against this transaction which in no way affects Polymer might be dangerous. Even if the sale were to be reversed, would it affect the public? There is no confidence in the shares of Polymer that are affected. It is one government organism which would have to return the corporation to the government; this is all it is. The government controls Polymer. It goes from one set of books to another set of books. The only point is that in the second set of books, ultimately the public will have a right to private ownership of some of the income that formerly belonged to the people of Canada as a whole.

This was a Crown corporation set up during wartime scarcity. It was given a monopoly, it was developed, and it has had good management. It has been aggressive and it has done well. But because it has done well, it had been selected—as I said in June of 1971, in the second reading debate and during the report stage—as the principal milk cow for the Canada Development Corporation. That, to my mind, is the fundamental reason why Polymer should never have been sold to the CDC.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish at the outset to commend the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) for stating quite clearly what it is that is before the House at this time. He made that clear statement, not in the academic portion of his speech but in his last sentence when he called upon the members of this House tonight to vote this administration out. That is a perfectly legitimate objective; it is a perfectly proper goal. But the members of the Official Opposition today, except for the hon. member for Qu'Appelle-Moose Mountain, are trying to make out that they are discussing the fortunes of Polymer.

What is before this House today is the business of supply. This is the final day of this semester. There will come before us tonight, if there is still a government with the confidence of the House, supplementary estimates and an interim supply bill. What we are debating between now and 9.45 tonight is whether or not the government that sits over there has the confidence of the House, at least for this week and maybe a few weeks more.

The last time a government was beaten when the business of supply was before the House was on February 5, 1963. It is an interesting *Hansard* to read, but I draw attention to the final page of *Hansard* for that session, page 3463. After the vote had been taken on an amendment as amended, which was carried 142 to 111, *Hansard* records as follows:

> MR. SPEAKER: I declare the amendment as amended carried.
>
> MR. DIEFENBAKER: Mr. Speaker, I shall advise His Excellency the Governor General tomorrow.

There was no proceeding to the main supply motion, there was no point of order, there was no further discussion. The then prime minister simply told the House that he would advise the Governor General the next day, and then he moved, seconded by the Hon. Gordon Churchill, that the House adjourn. According to *Hansard,* it adjourned at 9.05 p.m. The evening was not even over. The whole question of supply itself had not been resolved. But the government had been beaten on a supply motion. That was it. Then there is a line in *Hansard* and the following paragraph:

> The twenty-fifth parliament was dissolved on Wednesday, February 6, 1963, by proclamation of His Excellency the Governor General.

Mr. Speaker, although the rules have been changed in that instead of having a motion for Mr. Speaker to leave the chair, for the House to resolve itself into committee of supply, and then for there to be an amendment and subamendment, we now have opposition days and motions that are just for discussion and others that are no confidence motions, the fact is that what is before us at this moment is a motion of no confidence attached—and I emphasize this—to the granting of money. Therefore, if this House tonight at 9.45 votes no confidence in the government across the way, it is saying to the government: You cannot have the supplementary estimates tonight; you cannot have interim supply to carry on for the next three months—the game is over.

As I say, that is a perfectly proper objective for an opposition party, but I wish it were stated honestly instead of our being handed all this hypocrisy about a certain concern for public ownership and a certain concern for the principles of the NDP.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The fact of the matter is that if this motion that is before the House at present were to carry at 9.45 tonight, we would not sit in this chamber tomorrow. True, the Prime Minister (Mr. Trudeau) would have two options open to him. He could decide tomorrow to resign and to recommend to the Governor General that he invite the Leader of the Opposition (Mr. Stanfield) to be prime minister. Somebody says, "The same breed of cats". But he also has a constitutional right, which I suspect he would exercise, of calling an election, and instead of meeting here tomorrow to do certain things that I will talk about at eight o'clock, the game, so far as this parliament is concerned, would be over.

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, during the few minutes before six o'clock that I had the floor I commended the hon. member for Qu'Appelle-Moose Mountain for having made clear to the House what this motion is all about. He did so in his concluding sentence when he called on the members of the House tonight to vote this administration out. As I said when I was on my feet before six o'clock, this is a perfectly laudable objective. I wish the people of Canada had done it on October 30 last. But I question very strongly, and I think the people of Canada stand behind us on this, that this is the night to do it.

As I hope I made clear from the references to past history which I made this afternoon, if the motion of the hon. member for Yukon (Mr. Nielsen) is carried at a quarter to ten tonight, the government will have been denied the confidence of the House, will have been denied the right to proceed with its two supply bills that are on the order paper, and this House will not meet tomorrow. In such a case the Prime Minister will have to make up his mind what to do, whether to turn the reins of office over to the Leader of the Opposition or to ask for dissolution. I suspect that in light of the political facts of the present period, what he would do would be to seek dissolution. So, sir, what we are voting on tonight is the very simple question, and I put it in its simplest terms: What are we going to do tomorrow, Tuesday, March 27?

It has been announced several times that if this House meets tomorrow, the order of business will be the report stage and third reading of the War Veterans Allowance Act amending bill, and the bill to amend the Old Age Security Act. Since both of those bills are thus almost at their concluding stages, it is a fair prospect that they could both be passed by the House by tomorrow night, if the House sits. But if the motion that is before the House tonight is carried by an irresponsible majority, we will not sit tomorrow and those two bills will not be dealt with and will not be passed. What does that mean? Let us look at this in very practical terms. It means that we would go into an election campaign, which presumably would conclude toward the end of May or early in June. It usually takes two or three months after an election is over before parliament is called together again. This means—

An hon. Member: This is all supposition.

Mr. Knowles (Winnipeg North Centre): Never mind supposition. History makes clear what would happen. This means that the old age pensioners and the war veterans, who at the moment have the right to expect certain increases in their pensions at the end of the month of April, will not get those increases at best until some time this fall. The passing of this motion denies for several months $13.39 a month to every one of Canada's 1,800,000 old age pensioners, and it also denies increases to the 80,000 or so Canadians who are in receipt of the war veterans allowance. That figure of 80,000 includes veterans, veterans' widows, and other veterans' dependents. In the case of those who are single, it would deny them an increase of $20 a month and in the case of those who are married it would deny them an increase of $30 a month.

That is what this vote is all about tonight, and let not my hon. friends in the Progressive Conservative Party offer their new interest in public ownership as the reason for the motion and try to say that that is what it is all about. And let not those who report the proceedings in this House miss the main and essential feature, that what we are voting on is whether we do business in this place tomorrow or whether we follow the political gamesmanship of today and go into an election campaign.

We in this party do not have continuing confidence in those who form the government. We tried our best to best them last October, and we will try again. But, Mr. Speaker, the people of Canada elected the parliament which is here. They sent four different parties to this House. They put us into a minority situation, and we believe they expect us to do business. We believe they expect us to make this parliament work and we are convinced that the people of Canada are sick and tired of the political gamesmanship being carried on, by the official opposition in particular. They have the absolute and constitutional and procedural right to put down the kind of motion they put down today, to move non-confidence in the government and to do so for any reason they want. But don't ask us to swallow it. Don't ask us not to realize it is nothing more or less than a trick, because we are a group of members who feel we have some responsibility, particularly to Canada's 1,800,000 old age pensioners and to the 80,000 Canadians who are in receipt of war veterans allowance in one form or another.

There are other things that are in the offing, Mr. Speaker. My leader, the hon. member for York South (Mr.

Lewis), referred to them this afternoon: the housing legislation, the legislation respecting foreign investment, and so on. However, no one can say how soon they might be dealt with. But the fact of this parliament is that tomorrow, only a matter of hours from now, if we stay in business, we shall be dealing with the third reading of the bill to raise old age pensions and the third reading of the bill to raise the war veterans allowance.

• (2010)

An hon. Member: You have said that already.

Mr. Knowles (Winnipeg North Centre): My friend down the way remarks that I have said that. Apparently it has to be said to our friends of the Conservative Party dozens of times to get it through their heads. These people want to play political games. What really counts in this House is the business that we do. Therefore, Mr. Speaker, we feel very strongly that this is not the night to bring this parliament to an end. This is not the time.

An hon. Member: How about tomorrow?

Mr. Knowles (Winnipeg North Centre): Someone asks, how about tomorrow? The time will come when we have got out of this government all we can get, and then it will be time to let the people decide about the future. I submit that at this particular point nothing could be more irresponsible than for this House to vote tonight in such a way that it would be the end of this parliament.

I believe my hon. friend, the Leader of the Opposition, is likely to speak this evening—perhaps even to follow me in this debate. He has not shown me his notes and I do not know what he is going to say, but in light of what the hon. member for Peace River (Mr. Baldwin) said this afternoon, I suppose he may try to answer my argument by saying that even if this motion were carried tonight he would be willing for the House tomorrow to deal with the Old Age Security Act and the bill to amend the War Veterans Allowance Act. I say that it will then be too late. If this motion is passed tonight, there is no tomorrow as far as this parliament is concerned.

An hon. Member: For you there isn't.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, these interruptions and catcalls from the Conservatives only prove they are guilty and that there is egg on their face. They have pulled a boner. They know that whatever else this parliament may do, the people of Canada want the old age pension increase and they want the war veterans allowance increase, and a vote tonight for this motion is a vote that denies those increases.

I earnestly hope that at least some of my Tory friends will not vote for it; and there are some that I call my friends—the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and my namesake the hon. member for Norfolk-Haldimand (Mr. Knowles) who are zealous in the fight for veterans. They are aware that the passing of this motion would deny those increases. I hope my friend, the hon. member for Hillsborough (Mr. Macquarrie) and my hon. friend the hon. member for Prince Edward-Hastings (Mr. Hees), who a few months ago was so anxious to do something about old age pensions that he wanted to adjourn the House when there was nothing before it, will not vote tonight in such a way as to deny the possibility of dealing with the question of old age pensions tomorrow afternoon.

Mr. Speaker, when we refer now to increases in old age pensions and war veterans allowances, we are not talking about some distant promise, something that might happen in a week or two or a month from now. We are talking about legislation that has reached the final stages in this House, that has been approved all down the line and needs only third reading tomorrow night to go to the other place and for the final steps to be taken so that the increases provided in the bills can be reflected in the April cheques of 1,800,000 old age pensioners and 80,000 recipients of war veterans allowances. That is what the debate is all about tonight, Mr. Speaker. I hope members will realize that and not try to divert the issue by saying it is a discussion on the effects on Polymer. That is not the issue.

The item in the estimates to which the hon. member for Edmonton West (Mr. Lambert) referred this afternoon has already been defeated. It is not in the estimates that will be before this House tonight. Any possibility of rescinding the sale that took place last July is not before us. In fact, so far as Polymer is concerned, if the motion carries nothing happens to Polymer whatsoever, so that the hon. member for Qu'Appelle-Moose Mountain was perfectly right when he said at the end of his speech that the purpose of this motion is to get rid of this administration.

That is a perfectly laudable objective, but I insist that this is not the time to do it and that the people of Canada expect business and action out of this parliament. They know that these two pieces of legislation are available tomorrow, and they would hold this parliament to account if it were so irresponsible tonight as to close up shop and go off into an election campaign.

I agree with the hon. member for Yukon who said this afternoon that the time of reckoning has come, the time to stand by principles is here. I suggest that it comes at a quarter to ten. Are we here in this parliament to play games, to try to shift one party for another, or are we here to get action for the Canadian people? What is the principle that motivates members of this House? Is it just to get power, or to win legislation that the people of Canada expect us to get for them in this session?

I feel, therefore, Mr. Speaker, that we are doing as responsible a thing as we have ever done in saying tonight that this is not the time to turf out the administration; this is not the time to bring parliament to an end: this is the time to give this parliament enough more life, at any rate, to deal with the worth-while legislation that is before us. The issue is, frankly, what do we do tomorrow? Do we go off into the political wars having closed up parliament, or do we vote for third reading of the old age pension increase and the increase in the war veterans allowance? That is the issue. I call upon this parliament tonight to vote in a responsible way, and to oppose the Conservative motion.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I should like this evening to touch upon a few issues which were raised either tonight, a few days ago or several days

before that by hon. members in connection with the status of Polymer Corporation. From time to time there has been the suggestion of doubt or difficulty respecting the legal position. I should simply like to elaborate on the position of Polymer Corporation at the present time as the property of the Canada Development Corporation.

As hon. members know, Mr. Speaker, members of this House of Commons debated the question of the proper status of Polymer Corporation, its ownership and relationship to CDC, when some long time ago they were deliberating the creation of the Canada Development Corporation. They were considering it as an instrument, and an important one, for the development of Canadian equity in companies owned by Canadians, in a positive way, through the development of investment which, through the instrumentality of the Canada Development Corporation, could obtain and hold ownership of many different and varied Canadian enterprises in the years of its future existence.

Members of parliament, in the course of debating that legislation, very specifically gave approval to the transfer of Polymer to the Canada Development Corporation—

Mr. Baldwin: The Liberal members did.

Mr. Lang: —on arriving at a satisfactory agreement about the price at which it should be transferred. Indeed, the legislation itself very consciously and clearly set out the procudures which were to be followed: the approval of the governor in council, the transfer at a fair and reasonable price and, indeed, some financial arrangements that would result in the structure of the Canada Development Corporation upon completion of that sale. Through its interest as a shareholder in the Canada Development Corporation and in Polymer, the government subsequently saw the determination of a fair price, which my colleague the Minister of Supply and Services (Mr. Goyer) referred to this afternoon, and by order in council approved the transfer of Polymer through the Canada Development Corporation Act.

Hon. members have had occasion to raise questions about the impact of the sale pursuant to the statute, and its legal meaning and effect. They did so in connection with other proposals which were before the House in another form dealing with specific aspects of the remaining references to Polymer Corporation in the statute. The point I wish to make is that the sale of Polymer Corporation was complete and perfect within the letter and spirit of the law, and its transfer was approved by governor in council in accordance with the statute which parliament itself had passed, which envisaged the possibility of such procedure.

• (2020)

The sale was perfect and complete. The only question which can be raised is with respect to the total impact and effect of that sale, particularly the impact or effect of the sale on the references to Polymer in the statute and, in one or two cases, in schedules where it had been mentioned because of its former status as a Crown corporation. The proposal was put before the House in another form. It was suggested that the references to Polymer in the Crown Corporations (Provincial Taxes and Fees) Act should be eliminated, and that the references should also be eliminated from the Financial Administration Act where, because of its former nature as a Crown corporation, it had been mentioned along with many corporations of a similar nature.

The purpose of these changes was simply to make clear to anyone who might want to look at the statutes what had happened to Polymer Corporation. I should like to say that the purpose was to make clear what in fact had happened, namely, that the legal effect of the complete and effective transfer of Polymer Corporation to the CDC, as approved according to statute, was that it had effectively extinguished its status as a Crown corporation; that this had been done by the workings of a statute which parliament had passed and the natural consequences which flowed therefrom.

Mr. Baldwin: But you still need another statute.

Mr. Lang: That is to say, the purpose of the removal from the schedules was simply to remove any misunderstanding or misapprehension which could result. It was not in any way to change the legal effect of the transaction which was complete with the sale and which at that point terminated the status of Polymer Corporation as a Crown corporation. Indeed, hon. members may have noticed, if they looked closely at these two proposed changes, that one was designed to extinguish the reference to Polymer with respect to provincial taxes. That reference was specifically to make clear that as a former Crown corporation it was nonetheless liable for taxes. The proposed removal of that language was due to the conclusion that the reference was no longer needed because, that corporation no longer being a Crown corporation as a result of the sale to CDC, there was no longer any requirement to refer to it in the statute. In the other change the status was changed fully, legally and effectively.

As I say, in order that there should be no doubt about it, a change in legislation was sought. The government will no doubt at some point seek to clarify that in some further way, simply to put beyond doubt any question for those who might come along and examine the statutes and wonder, without examining the cross-references to which I have referred, what is the real situation of Polymer Corporation. The sale, therefore, was complete and effective in accordance with the statute. Polymer Corporation moved to ownership by the Canada Development Corporation and ceased thereby to be a crown corporation for the purposes of the operation of the law.

I will not say much more about the principle of the issue. My colleagues have spoken about it and others will also. The change of Polymer Corporation into what we expect to be a dynamic corporation for investment in Canada, which we have structured in such a way that it is protected significantly from mere political interference, really speaks for itself. It is our view that these holdings, in their nature private enterprise but not necessarily held any longer by the government for government purposes and not necessarily any longer instruments of government policy, should indeed be removed from the petty politics which can on occasion affect such a corporation only to its detriment.

Perhaps the comments of hon. members tonight in relation to the situation of Polymer demonstrates the wisdom of removing such corporations from this type of political argument, from this partisan argument and placing them under the control of the Canada Development Corporation, an investment corporation designed, in the spirit of the law, to develop properties owned by Canadians, to develop investments for profit and to be managed by the best possible management with the view that it should invest more and more in Canadian equities and serve the purposes for which it was set up. It is to do something important, namely, acquire Canadian equities for Canadians so that instead of saying negatively, "Do not invest," it will work positively and say, "Yes, we are going to see to it that we have a positive impact in Canada. We will provide an opportunity for Canadians to invest in Canada. We are going to see that more and more of our resources, of our manufacturing and other industries, are owned by Canadians and are not in the hands of people from outside this country." That is an important objective.

The passing of Polymer into ownership by the Canada Development Corporation will, in view of the management of that corporation, lead to further development and is an extremely important step in the attainment of this extremely important objective, the continuation and development of Canadian ownership in Canada by Canadians, for the good of all Canadians. That is why the sale has been completed, Mr. Speaker. That is why the Canada Development Corporation will continue on its way as an important instrument in the development of Canadian interests in our economy.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, perhaps I might begin by talking about the Canada Development Corporation since there has been a good deal of discussion on it. Let me take a minute to remind hon. members of the House who were not here in the last session, or perhaps have forgotten, why I am opposed to the Canada Development Corporation as it was established.

I agree with what has been suggested, I think by the hon. member for York South (Mr. Lewis), that if this corporation was simply set up for purposes of profit it is in effect an investment company and we do not need it. If it was not to invest for profit for the purposes of its investors, there must have been some other strategy behind its setting up which the government has never defined. The Canada Development Corporation was established, so far as I can see, without any strategy except the establishment of another investment company in Canada in which the government would have some interest. It is meaningless in this sense, and for that reason I oppose it, Mr. Speaker. For that reason, I see little significance in it, despite the repetition of ministers of the crown that it is a vehicle to enable Canadians to invest in Canada. It might even be that some people will be hurt in the process.

Secondly, the President of the Treasury Board (Mr. Drury) has taken the position that transfer of shares of Polymer Corporation to the Canada Development Corporation is just some kind of intergovernmental transaction. I am sorry the President of the Treasury Board is not here at the moment; but that, of course, was not an honest statement as to what the facts are, because the directors, that is, the management of the Canada Development Corporation, have already announced their intention to have a public issue of the shares of the corporation. So it was a very dishonest procedure for any member of this government to stand up in the House and pretend that this is simply another intergovernmental transaction. That may have been technically true at the time of the transaction, but when the transaction was put through, the members of this government knew perfectly well that before long the Canada Development Corporation would not be a government wholly-owned corporation. Indeed, they said the corporation was established for the purposes of disseminating ownership among shareholders. So that was a very dishonest presentation of the situation, Mr. Speaker.

• (2030)

The point has to be made that there is always a conflict of interest. There is obviously a conflict of interest between the government, as the representatives of Canada and the owners of Polymer Corporation, on the one hand, and the government as the owner, for the time being, of the CDC on the other. There is an obvious conflict of interest because the Canada Development Corporation is a creature of the government.

The government wants the Canada Development Corporation to be a success. It wants the CDC to get off to a good start. It wants it to appeal to public investors with something attractive. Nobody should pretend, and nobody can convince me, that this is an arm's length transaction between the government as the owners of Polymer Corporation and the government as owners of the Canada Development Corporation.

Some hon. Members: Hear, hear!

Mr. Stanfield: This circumstance in itself is sufficient ground for requiring every opposition member in this House to examine this transaction with the closest of scrutiny and the keenest of scepticism. We have been given no information about the appraisals. The government says that appraisals were made, a couple within the government service and one outside. Why does the government not table these appraisals upon which the valuation was based, particularly in view of the obvious conflict of interest that exists? The Minister of Supply and Services (Mr. Goyer) said it might not be fair to the future of Polymer Corporation. I wonder whether the government is as much concerned about fairness to the future of Polymer as it is concerned with trying to protect itself.

Some hon. Members: Hear, hear!

Mr. Stanfield: What we have here is the government making what has been described as an interest-free loan to the Canada Development Corporation, because the CDC is not paying cash for the shares of Polymer; it is simply turning over to the government CDC shares. It is also reserving the right to buy back these shares in so far as they might represent more than 10 per cent—

An hon. Member: Shame!

Mr. Stanfield: "Shame" is right. I heard the hon. member.

Mr. Hees: The first honest Liberal this year.

Mr. Stanfield: It is important that members understand this. Under this bill, the Canada Development Corporation is entitled to buy back these shares at the price the government is paying, $10.15, $10.50 or whatever it is a share, or if at the time it wants to buy back those shares the book value of the shares of the Canada Development Corporation is less than that price, the government can authorize CDC to buy back the shares for less than the government of Canada paid for them.

Some hon. Members: Shame!

Mr. Stanfield: In other words, the Canada Development Corporation is not only getting an interest-free loan from the government of Canada, but it may turn out that the people of Canada will be paying interest to the CDC over the years as a result of this transaction. In view of this, it is not much wonder that the great majority of members of the House condemn this transaction. In the first place, there is a conflict of interest. There is a refusal to be open and frank and disclose the appraisals upon which the valuation was based. There is a deal that is not fair to the Canadian people. We are using an opposition day to condemn this transaction. The hon. member for York South and others who have spoken since have said that this condemnation is of no effect. I assure hon. members that if I ever have the opportunity to do so, this transaction will be undone.

Some hon. Members: Hear, hear!

Mr. Stanfield: Therefore, a vote of condemnation by this House tonight might do a good deal more than the hon. member for York South was prepared to admit this afternoon.

Some hon. Members: Hear, hear!

Mr. Stanfield: In any event, this is an important question. Was the sale a proper sale? The vast majority of the members of this House believe it was not a proper sale; there is no question about that. Should not the House have an opportunity to condemn this sale? Obviously, Mr. Speaker, it should. There is no question that the majority of the members of this House condemn this sale. I do not want to be abusive in the way the hon. member for York South was this afternoon. I simply say to him that he is getting tiresome.

Some hon. Members: Hear, hear!

Mr. Stanfield: He is misleading. He is intemperate in his language. I could sum it by saying that although generally speaking I have admired the hon. gentleman, he is not really himself.

Some hon. Members: Hear, hear!

Mr. Stanfield: In past sessions since the new rules were adopted, members of the New Democratic Party were most anxious to have the right to put forward motions on opposition days which carried with them a vote. We do not hear any more talk about that from my friends to the left. That is the last thing in the world they want to do in this session of parliament. To what is this House of Commons being reduced? Is it being reduced to the position where it refuses to express its views on government policy? Has this House of Commons reached the point where it refuses to be counted as to its view regarding a government transaction or government statement of policy?

The hon. member for Winnipeg North Centre (Mr. Knowles) reiterated his concern about what might happen to old age pension legislation and veterans allowance legislation. He could have added to this, as did the hon. member for York South, legislation relating to increased exemptions for senior citizens and students. I simply say to my hon. friends that the passage of a vote of non-confidence in this House tonight does not mean an election. It does not mean that these measures cannot be proceeded with promptly.

• (2040)

Some hon. Members: Oh, oh!

Mr. Stanfield: Listen to them.

Mr. Hees: They are scared stiff.

Mr. Stanfield: I say to hon. members to my left that if they vote according to their minds and according to their real beliefs, if they condemn this transaction as they believe it should be condemned, and if as a result this legislation is not brought before the House shortly, it will be because hon. gentlemen opposite made that decision. I assure them, that if I were called upon to form a government, this legislation would be proceeded with with the greatest dispatch.

Some hon. Members: Hear, hear!

Mr. Stanfield: I say to them, also, that if I were called upon to form a government, I would present the program upon which I would face the Canadian people and I would expect those hon. members to vote non-confidence when they felt my government deserved such a vote; and I would not ask for charity.

Some hon. Members: Hear, hear!

Mr. Stanfield: So it is very simple.

Mr. Corbin: Your raft is sinking.

Mr. Stanfield: I am afraid that when the hon. member sinks he will be out of sight for a long time, though it is just possible he may be kept afloat a little longer by his friends in the coalition. I say, we condemn this transaction. Hence the motion of condemnation. I say, let others who condemn this action by the government in their hearts reflect that feeling in the House. Let the House vote according to its mind and its beliefs. Let us not make a farce of responsible parliamentary government in this country.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: It is just as clear as that. The government does not enjoy the confidence of the House.

An hon. Member: Wait and see.

Mr. Stanfield: The great majority of the members of the House condemn this transaction. Let us behave as a House of Commons; let us behave as a parliament; let us hold the government accountable when it does something wrong, for the great majority of members of this House believe this transaction should be condemned.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I did not intend to speak since our official spokesman, the hon. member for Charlevoix (Mr. Caouette), has delivered an excellent speech to define our position on the ridiculous motion now under consideration. But having heard the Leader of the Opposition (Mr. Stanfield), an opportunity which was denied to me during the election campaign, because he was not seen in Quebec, I realized that I had to take part in the debate.

I remember that when I introduced a motion on Crown corporations—a motion which I put on several occasions during the private members' hour—several members opposite did not support me.

I also remember that one of them blamed me for wanting to throw light on the general administration of Crown corporations and told me that Parliament or myself did not have the authority to demand stricter control over the administration of Crown corporations.

By introducing this motion on Crown corporations, I wanted hon. members to receive not only an annual report, as for any other department or Crown corporation, but also to have a more direct control over the spending of taxpayers money, since Crown corporations are nothing more than creatures of this government which compete with private firms for rubber, rail transportation, air transport or other. The federal government is using billions of dollars through its creatures, the Crown corporations.

To my knowledge, Mr. Speaker, the Conservative Progressive party has always supported this set of proposals, but it had fiercely opposed them at the private members hours when I introduced a motion to enable each member to really fulfill his role, that is to exercise control over and get a thorough knowledge on the management of Crown corporations.

Now the hon. Leader of the Opposition is today having one of his sympathisers bring forward a motion whereby the House belatedly blames the government for having, by a Cabinet decision, authorized the sale of Polymer Ltd. to the Canada Development Corporation.

At the time this sale took place, I, like all Canadians, observed that Progressive Conservatives and Neo-Democrats were shuttling the ball back and forth, blaming each other, blaming the government for mismanagement of Polymer Ltd. because of the transfer to a joint stock company of a Crown corporation.

That was during the election campaign. Our friends across the way were entertaining themselves and the population with such recriminations, instead of tackling the real problems experienced by our citizens and daily plaguing them.

Today, instead of talking about its motion, one of these political parties is trying to lay a trap for the NDP in order to make them contradict their former electoral position and to annoy the government at the same time. They do not talk either about their motion or about their reasons for opposing the sale of Polymer Corporation to the Canada Development Corporation or give any motive for their position. This seems to us like an astonishing show of petty politics.

The members of our party have been requesting for a long time a specific policy on the management of Crown corporations. By moving today a motion to decry the order in council authorizing the sale of a Crown corporation to the CDC, the Progressive Conservatives neither approve nor disapprove that sale. They blame the government on a political basis only for the sale of that corporation.

Mr. Speaker, since I have been in this House, I have never heard hon. members opposite pay close attention to the administration of Crown corporations. These people do not wonder why we have no authority to ask questions or get specific information about those corporations.

And yet, when an hon. member of this House, not a progressive conservative member nor an NDP member but a Social Credit member rises and asks the government to give every hon. member the authority to control public spending within these corporations, then, Mr. Speaker, probably for political reasons these people are opposed to it.

Well this is a depressing sight for us, something which it is not pleasant to see in this House since we are supposed to deal tomorrow with the matter of the old age security pension. Members of the Social Credit Party have put four motions on the order paper. These were not progressive conservative members but social credit party members who have put forward these four motions to increase the basic pension, to lower the eligibility age to 60 and to give the old age security pension to the spouse of the pensioned person not yet eligible, as the case may be, in order to respect the family unity. And now, rather than dealing with this legislation and working on the order of the day to settle the important issue of the old age security pension, our progressive conservative friends play games with the Polymer Corporation, which is useless since this corporation has already been sold.

And even assuming that this motion will be passed tonight, what would happen? How would it serve the Canadian people? I ask the hon. member for Saint-Hyacinthe (Mr. Wagner), leader of the Quebec wing of the progressive conservative party as well as to the hon. leader of the official opposition to tell the House what effect this motion will have for the Canadian people? Will it put more bread on the table of the poor in our ridings? Will it settle the unemployment problem? The hon. member for Brome-Missisquoi (Mr. Grafftey) finds it funny, probably because he does not know the unemployed in his own riding, but we have some in our constituencies and they do not live off the Polymer Corporation but with unemployment insurance.

Sale of Polymer

• (2050)

Mr. Speaker, it is extremely sad to find out that while thousands of unemployed in Canada are waiting for their cheques to live, while they are called swindlers by this government, while ministers are asked questions and give no answers, the Progressive Conservatives dissent. They accuse the government of selling Polymer Corporation.

Mr. Speaker, while conflicts exist—I hope this will interest the hon. member for Saint-Hyacinthe, if he is still a Quebecer—between the government of Quebec and the government of Canada about the guaranteed minimum income, there was a time, Mr. Speaker, when the NDP, the Progressive Conservatives, the Liberals, Peter, James and just about everybody found it funny when the Creditistes called for a guaranteed annual income. The laughed at the hon. member for Témiscamingue (Mr. Caouette). They said that the hon. member for Témiscamingue was dreaming in colour. Well, today, these same peanut politicians, under the pretext of getting votes, sponsor measures for a guaranteed minimum income, but none of them has the nerve to come out squarely in favour, even though this is where the problem is for Canadians, and not for Polymer, which is in a good position, with regards to the Canadian Development Corporation, to solve this problem.

Mr. Speaker, I make this speech with a bit of bitterness, because I am tremendously disappointed to see professional peanut politicians waste the time of the House with pointless motions, while unemployed Canadians—in the constituency of Lotbinière and elsewhere—demand positive action, while provinces are confronted with a financing problem and expect the Minister of Finance (Mr. Turner) to propose solutions if he has any, while a piece of legislation on old age security only needs serious members of Parliament to care for it, so that the pensionable age is lowered, so that Parliament can act to give something to the Canadian people.

I suggest, Mr. Speaker, it is time for these things to be stated in this House and to take to task the hon. members opposite to whom I recognize the right to condemn the government. At least they should have the courage to blame the government for not introducing measures earlier on guaranteed income security, unemployment or any other question that really affects our fellow citizens instead of worrying about the sale of the Polymer Corporation Limited.

Mr. Speaker, I hope that the hon. leader of the Quebec wing of the former Progressive Conservative Party will wake up, so that he can then wake up this party.

[*English*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, Webster's dictionary says—

Some hon. Members: Oh, oh!

An hon. Member: They would not know what that is.

Mr. Fairweather: It is all right; I have all evening.

An hon. Member: So have we.

[Mr. Fortin.]

Mr. Fairweather: Webster's dictionary says that hypocrisy is the false assumption of virtue or the simulation of goodness; pretending, in other words, to be better than we are. Is this because we always want to be better, or only that we want to fool people into thinking we are? Mr. Speaker, last Friday the hon. member for York South (Mr. Lewis), as reported at page 2541 of *Hansard*, said the following:

> The CDC has become an extension of Power Corporation of Canada, which I find to be a nest of Liberal birds—

An hon. member, undoubtedly sitting behind the member, said "Vultures", and the hon. member for York South went on to say "or probably vultures, Mr. Speaker". Well, Friday's vultures have become Monday's mockingbirds. The hon. member for York South went on to say:

> There are people representing Power Corporation or who were earlier associated with it on the board of directors of CDC still acting in the only way they know; they never think in terms of the needs of the people or the needs of the country but think as directors of whichever corporations they headed in private enterprise. This is the kind of distortion which has been made of a good idea, Mr. Speaker.

Well, Friday's good idea becomes Monday's abdication.

Some hon. Members: Oh, oh!

Mr. Fairweather: You have had a great deal of time, and I hear your laughter; but the truth is that you mocked on Friday and you become mockable on Monday.

Some hon. Members: Hear, hear!

Mr. Fairweather: The truth also is, of course, that if this party put forward a resolution to nationalize the Canadian Pacific Railway, the New Democrats would have a catalogue of excuses for running away from that.

Some hon. Members: Hear, hear!

An hon. Member: They wouldn't let you go that far.

Mr. Fairweather: We built the Canadian National and we might as well build the Canadian Pacific.

On Friday last, the leader of the NDP condemned this sale with what he then called "all the honour" that he had. He has now shifted that "honour" to "vigour."

An hon. Member: To common sense.

Mr. Fairweather: My dictionary defines "honour" as "respect; highly conferred dignity upon," and then, in commercial usage, it says "to accept and pay bills when due." Curiously, and somewhat prophetically, it goes on the describe "honourable" as being a person's intentions in courting a woman.

Some hon. Members: Oh, oh!

Mr. Fairweather: The courtship is there; the courtship we are witnessing between this government and the New Democrats is public—but it could scarcely be called honourable.

Some hon. Members: Hear, hear!

Mr. Fairweather: As one who has found it within his heart to occasionally find credit on what the NDP espouses, I myself find this a somewhat disgusting exercise.

Mr. Hees: It is a shady shackup.

• (2100)

Mr. Fairweather: I find myself saddened by the spectacle of repudiation of principle which we are witnessing today. "I condemn the sale of Polymer with all the vigour I have", said the hon. member for York South (Mr. Lewis). Then he added, *sotto voce*, "provided such condemnation will not result in the resignation of the government". "I condemn the sale of Polymer with all the vigour I have", he said, and then behind his hand added, "except that such condemnation will not be construed as being a lack of confidence in the government". He says, "I condemn the sale of Polymer with all the vigour I have", then whispers to the hon. member for Winnipeg North Centre (Mr. Knowles), "provided such condemnation will not mean that I should hazard my delicate state of health in any general election".

Some hon. Members: Hear, hear!

Mr. Fairweather: You see, there is no mystery about the alienation. I hear an interjection. If the hon. member wants to pose a question, he can do so or go back to his seat; or he can make a speech. I have been here almost as long as the hon. member and I have not yet heard a sensible word from him.

Mr. Whicher: I can read, anyway.

Mr. Fairweather: The funny thing about it is that I write and prepare my speeches, which is more than the hon. member is able to say up to this point. The hon. member for Bruce (Mr. Whicher) has been transplanted here from another place. I wish he would make another of his memorable speeches tonight. He will have an opportunity in about three minutes, when I have finished.

The fact is that very few hon. members have meant what they have said lately, including the hon. member for Bruce. One member who will vote against this motion asked the government to break off the sale. Another member, who I presume will vote against the motion, said that the committee vote was a clear indication that the majority of this House opposed the sale of Polymer Corporation. Yet another member of parliament who announced, in very extravagant language, that he would vote against the motion, went up and down the country condemning the government with obvious vigour; yet before many months had elapsed the vigour had been transformed into a two-step with the Prime Minister of Canada (Mr. Trudeau).

I happen to be a person who thinks that the history and the rules of parliament are important. I think there are too many people here who are prisoners of their own rhetoric. Winston Churchill liked to point out that it was sometimes useful to recognize the obvious. Perhaps if we had recognized the obvious of what has been going on here in the last few months, we would have been a little further ahead. In the third report of the Special Committee on Procedure of this House—the hon. member for Winnipeg North Centre was a distinguished member of the committee—several statements were made, as follows:

(a) A pattern of regular parliamentary sessions is assumed whereby a session would normally commence in September or October and the House would rise for the summer recess on or about July 1.

(b) For the purpose of supply, the parliamentary session would be divided into three periods ending on December 10, March 26 and June 30, respectively.

Then we find this in paragraph (f)

Interim supply to cover the months of April, May and June would be disposed of by March 26—

Finally there is this statement:

(g) A total of 25 allotted days spaced throughout the session would be placed at the disposal of the opposition.

Now, because the opposition is showing the temerity to use one of its allotted days, and also the courage to vote the way we speak, we are being condemned out of hand by members of the New Democratic Party and the government.

Mr. Speaker, there is of course another aspect of this sorry transaction which I think needs a comment or two. It was touched upon by the Leader of the Opposition. It has to do with the secrecy aspect of the transaction. In an article in the Winnipeg *Free Press*—I would ask the hon. member for St. Boniface (Mr. Guay) to remember that it is a western newspaper—Maurice Western writes:

C. M. Drury—

The President of the Treasury Board

—states that two departments evaluated the property. Unfortunately the objectivity of departments in such a situation is highly suspect.

I do not think anybody could have disagreed with my leader when he made the very important point of the serious conflict of interest which is inherent in this transaction. I continue quoting what Mr. Western wrote:

There was also a report by the firm of Wood Gundy Ltd. This might be more enlightening. Whether it will enlighten anybody is doubtfull since the government normally declines to produce reports dealing with the internal state of commercial companies.

Mr. Western is not only a rather good writer but an excellent prophet because, of course, the government has not seen fit to let us have the benefit of either the Wood Gundy report or the evaluation of the two departments. I shall go back to the matter of alienation and the cynicism of a large part of the public concerning what we are about in this parliament. There is an interesting article entitled "On Telling People", in *Essays on Reform, 1967* edited by Bernard Crick. In the article by Professor J. A. Griffith we find this passage:

The wish to take the lid off the machinery of government, to see how it works, who says what to whom, at what level decisions are taken, what private criteria are used, how far 'politics' is allowed to override those criteria, on what statistical and other 'facts' the decisions are based: this wish does not derive only from curiosity or from party animosity but also from self-interest—

That is, of the public. I think this is really the thrust of our whole presentation today no matter what the Minister of Justice (Mr. Lang), who pops into the House to give us the benefit of his legal opinion on this sale, has to say. There is a serious conflict of interest. The sale has been

condemned by statesmen—I use the term advisedly—from all corners of this House, but when their statesmanship in measured by votes they are found seriously wanting.

[*Translation*]

Mr. J.-J. Blais (Nipissing): Mr. Speaker, as the hon. member for Lotbinière (Mr. Fortin), I did not either intend to speak on this motion but I am obliged to rise because of his few remarks.

It seems that the hon. member for Lotbinière was right to say he did not hear any substantial arguments put forward by the Progressive Conservatives. In fact, when you look at the date of the order in council mentioned in the motion you find that the transaction took place on July 27, 1972.

Why did we not hear any substantial argument today? All this mess we have seen this afternoon is a most opportunistic contortion by an opposition member, namely the hon. member for Yukon (Mr. Nielsen) to whom I will not impute motives. I will simply quote a few facts recorded in *Hansard* and in committee proceedings.

Last Tuesday, when we were debating supplementary estimates, an omission was found by chance. The Progressive Conservatives have been trying for a long time to find a justification to oppose $1 items and here we find a $1 item which was intended to rectify a situation created following the sale of the Polymer Corporation. By chance this progressive conservative member found the support of the committee whose majority were NDP members. The Liberal party was therefore defeated. What a chance! For three months the progressive conservative party waited for an opportunity to defeat the government and they found their chance. They discovered a fault! What happened then? On the next day, during the question period, the hon. member for Yukon requested the Auditor General's financial statement from the Minister of Supply and Services (Mr. Goyer)—

All right, the Auditor General's report, because he asked that the Auditor General table this report.

The minister answered that this matter had some legal aspects and that the report could not be tabled before obtaining some legal advice from the Minister of Justice (Mr. Lang). However, during that same week, a witness appeared before that committee and it was again requested that the report be presented to the committee.

• (2110)

[*English*]

At this point, Mr. Speaker, again by coincidence and based upon past experience, they obtained the consent of the NDP members who they knew would support this motion to have the report tabled for the committee. By coincidence, that motion was talked out. This was on Thursday. On Friday, we were in the House and we heard an opposition motion presented by the members of the NDP. It was a very fine motion.

An hon. Member: What is new?

Mr. Blais: All of a sudden, who do we notice in the House but the hon. member for Yukon (Mr. Nielsen) who listened avidly to every word that was said by the hon. member for York South (Mr. Lewis). What happened? In the middle of his speech the hon. member for York South heard a question posed very sweetly and succinctly by the hon. member for Yukon.

Mr. Nielsen: May I ask the hon. member a question?

Mr. Blais: No, Sir. Suddenly we heard the long-awaited reply, sweetly given in all sincerity, by the hon. member for York South; and before six o'clock, by strange coincidence, we heard the motion which is now the subject of this debate put in the House. It is not a very long motion, mind you; it could not wait, so it had to be condensed and recondensed in order not to mislead anyone as to its intent.

Then I could see the hon. member for Yukon persuading other hon. members to support this brilliant strategy to bring down the government. He must have had trouble persuading members of the opposition because every other procedure he had proposed had failed, much to the chagrin of the opposition. But here we have it again. He has won this particular battle because the motion is again before us. I pity the hon. member for Yukon and the hon. member for York South when they saw their stategy fall apart. Why do I say that this is patently another ploy, a ploy which was classified this afternoon by the hon. member for York South as being a high school ploy? I know such ploys, because I am fresh out of high school.

Mr. Baldwin: Not too fresh, either.

Mr. Blais: I recall all these ploys as if it were yesterday.

Mr. Hees: I don't think you ever made it out of high school.

Mr. Blais: Who led on behalf of the opposition this afternoon? It was the instigator, the perpetrator of this great strategy, the hon. member for Yukon. And who came lobbying some time later, with all the fervour for which he is known, but the Leader of the Opposition (Mr. Stanfield)? He did not start the debate; he did not lead on this motion. He tried to smooth it over by saying: It does not matter whether you are for or against this motion, you people to the left, because it will not be a vote of no confidence at any rate.

Mr. Stanfield: Go on with you!

Mr. Nielsen: Is that a new version of the twist?

Mr. Blais: All I am saying, Mr. Speaker—

Mr. Baldwin: Go back to your kindergarten.

Mr. Blais: I was not here when this very progressive bill was voted upon, the Canada Development Corporation bill, and I thought that this afternoon I would be enlightened as to why the bill should not have been voted upon and why the sale of Polymer was not a good thing for the country. I was expecting to hear the answers to those questions as a kindergarten student and as a high school student; but I learned nothing at all. All I heard was the manifestation of a Conservative ploy that was bound to be defeated and will be defeated, as it deserves to be.

Some hon. Members: Hear, hear!

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I rise to speak with considerable interest on this important motion which gives rise to a debate which recalls some important ideas and reservations expressed at the time the Canada Development Corporation bill was first debated.

An opposition day, ended by a confidence vote, is the established practice which enables us to debate the government's handling of a particular problem. If hon. members do not feel that they can vote for the motion, I am sure they have the right to follow their convictions. But I think this motion must be considered in relation to the debate which took place when the CDC was established. We are now witnessing the operation of legislation under which a Crown corporation is being sold to the CDC at a value much less than the market value. We can recall when Polymer was formed to produce rubber. It was at a time of scarcity of that product because it could not be exported from plantations in Malaysia.

When the Canada Development Corporation was set up in 1971, there was much argument as to whether the corporation would become a policy-oriented body for the good of Canada, investing in projects that perhaps were not immediately profitable but would bring benefits in the long run. We have had many similar development funds and corporations set up by the provinces. In the province of Manitoba the dissolving of a similar development fund is suggested. In effect, we are probably coming to the realization that a dollar invested once can only be invested once, whether it is private or public, and if it is invested by the public sector, the same dollar cannot be invested by the private sector.

• (2120)

This motion chastises the government for the sale of Polymer, a highly successful corporation, into the doubtful arms of the Canada Development Corporation which has not yet shown what its management capabilities are. What about this particular sale? In effect, at the present time it is a government-to-government sale. Polymer is an odd duck amongst public corporations because it is making some money. And what about the government? It has sanctioned the sale of Polymer at a time when it has a definite political stake in the Canada Development Corporation. But eventually the government will retain only a 10 per cent interest in the CDC.

Polymer has been sold at the price of $62 million, plus a possible further $10 million to be paid in the future. The CDC has paid the government 6,141,000 shares, so in effect the CDC is getting an interest-free loan. According to Mr. Hampson, president of the CDC, it was hard to arrive at a price because of Polymer's poor showing this past year. But, Mr. Speaker, its record has been good. It certainly seems odd that the government should sell Polymer last year when it was giving such a low return. Why did it not act as a private investor and hold out until better times before making the sale?

During the debate on the bill establishing the CDC, one of the most interesting comments was the following made by the hon. member for Winnipeg North Centre (Mr. Knowles) during debate on second reading, as recorded at page 3620 of *Hansard* for February 22, 1971:

> Therefore, without developing that point any further, Your Honour, I assert that this bill is not a socialist document. It is not even a Walter Gordon document. It is a private outfit, and the passing of this bill establishes special privilege for a limited number of people.
>
> May I also point out that if this bill is passed and this company is set up it will have certain powers that could be used to the disadvantage of other Canadians, indeed I would say to the disadvantage of all Canadians. We have now in existence in this country the Polymer Corporation, Eldorado Nuclear Limited, Panarctic Oils Limited, Northern Transportation Limited, and perhaps one or two other entities of that order, and these entities are either wholly owned by the public or largely owned by the public.
>
> But under this bill the Canada Development Corporation would be given the right to buy these crown companies, and bring them under what would be partly public and partly private ownership. At the moment they are under public ownership. They belong to us, to the people of Canada, but under this bill they would become largely privately owned.

I cannot agree too much with his comments at that time because it is expected that in the long run the Canada Development Corporation will become largely privately owned, even though it is directed by the government of the day, to devote its energies to seeking out projects that will bring national benefit, although in the short term they may not be economically feasible.

It is generally accepted that Polymer has a book value of about $100 million and that it has been turned over to the Canada Development Corporation for somewhere around $62 million. There seems to be far too great a discrepancy between these two amounts. If Polymer is to become merged with the CDC, it should be at a much more realistic figure. Surely, if the people of Canada had to take a chance in setting up Polymer in the national interest during the war, they should receive full benefit for the company.

As time goes on and the CDC becomes more involved with private investors, albeit the aim is to seek out and encourage small private investors, these private investors should not be getting a gift of some $40 million from the people of Canada. Surely it only makes good, common sense that the CDC should not take over crown corporations at less than the average reasonable market value. I am surprised that the members of the party to my left are not wholeheartedly critical of this move by the government, because I think they made a good point during the debate in this House about the turning over of successful government enterprises to the CDC which, as I say, in the long run is expected to have a large element of private investment.

This aim was clearly set out by the then minister of finance, as recorded at page 3638 of *Hansard* for February 22, 1971, when he said:

> The corporation will operate within the private sector of the economy with the capabilities and constraints of a private corporation. It will be expected to carry out its objects in the words of the bill, "in anticipation of profit and in the best interests of the shareholders as a whole." Since the shares of the corporation as soon as practicable will be sold to the public in competition with all other investment vehicles, the management of the corporation will at all times be fully aware of the need to earn a competitive rate of return on invested capital fully commensurate with the risks involved. The CDC cannot and must not be expected to make investments which do not meet its criteria for profitability. The national interest and the profit motive are not always compatible, but there is a broad area over which they are or can be in harmony. It is in this area that the corporation's activities and

interest will be concentrated. This means that there are limits to what the corporation can be expected to accomplish. It should be regarded as only one of the measures to promote greater ownership and control of our economy by Canadians. But I am confident that the role it can play will make a very important contribution to our efforts to deal positively and constructively with these concerns.

The other major purpose set out in the bill is that the corporation should be owned by the Canadian public, with as wide a distribution of the shares as possible. The corporation will be uniquely Canadian with its voting shares held only by Canadian citizens and residents. Through it a new opportunity will be provided for every Canadian to invest in Canadian industry and to share in the profits of such an investment. It is intended that these shares will, when widely held, be listed on Canadian stock exchanges.

The then minister of finance left no doubt about what he envisaged the CDC would do. I should think the party to my left, which made the general charge during the election that there is extreme corporate rip-off, should be aware that this particular transaction is one of the widest rip-offs anyone could imagine. Here we have a $100-million Crown corporation, owned by the Canadian taxpayers, being sold for $60 million to the CDC, a corporation that eventually will be owned by numerous Canadian investors, but these will not in any way make up the sum total of the present owners of Polymer, the people of Canada. Surely this is a corporate rip-off of the worst kind. The hon. member for York South (Mr. Lewis), who went about the country complaining about corporate rip-offs, should be appalled at this happening. Hon. members who feel that this sale is not in the best interest of the Canadian public should make their views known by voting for the motion.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, the most progressive thing I have heard in this House since becoming a member three months ago is the suggestion of the hon. member for Fundy-Royal (Mr. Fairweather) that his party might introduce a motion to nationalize the CPR. But if ever they did that, I am sure it would be just to entice us into their bed, because we know they are really after our bodies.

The Leader of the Opposition (Mr. Stanfield) said that when the bill to set up the CDC was before the House, he did not agree with it. But his party made no amendments on that occasion; they did not propose any amendments to the bill. Is that responsible leadership? He also said that if his party became the government, he would undo the sale of Polymer to the CDC. That differs from what his financial whiz-kids on the backbenches have said, such as the hon. member for York-Simcoe (Mr. Stevens) who is reported in *Hansard* of last Friday as saying:

I sincerely hope that there will be a trend away from loving crown corporations.

Yes, he would undo the sale of Polymer all right; but he would sell it directly to his corporate friends for even less than the paltry $62 million that the CDC paid for it. Mr. Speaker, the Tories have the feeling that they are embarrassing the New Democratic Party with this motion. With great finesse, the hon. member for the Yukon (Mr. Nielsen) finagled his way into this motion. It is a most irresponsible motion. Talking about irresponsibility, I should like to read from the *Financial Times*. I know it is almost a bible to the Tories. This is what it said in an article entitled "Irresponsible":

• (2130)

The Conservatives now may be right to think that they are on the brink of power. But if they are, they should conduct themselves responsibly, as a party ready to take over the management of the country. It is not responsible to formulate confidence motions such as the ones last week—

And may I add, the one tonight.

—which have no obvious purpose but to make the NDP squirm, amusing as that may be.

Short-term cleverness, verbal sophistry and partisan games are not endearing any of the parties to the voters. One-upmanship is not leadership, and leadership is what the country needs.

I suggest, Mr. Speaker, that the country is getting leadership from my party on this side of the House.

An hon. Member: See what happens in the next election.

Mr. Rodriguez: Don't worry; I am looking for the Conservative drive in Nickel Belt, but you cannot even see it. The motion before us tonight is one full of puffed up hypocrisy and is totally meaningless. What would the passage of this motion do? It is closing the barn door after the horse has bolted. That is what these pretenders to power would accomplish if this motion were passed tonight and the government brought down.

For example, in Supplementary Estimates (B) for the fiscal year ending March 31, 1973, this motion, if passed, would deny $10.4 million to western farmers, including $1.6 million to farmers in Ontario and Quebec for losses incurred last summer. The farmers should know what the motion will do. For environmental control, $3.2 million. And the Tories are always talking about environmental control. Here is one for members on the east coast—$450,000 contribution to Atlantic salmon fishermen who lost their livelihood, and fishermen in general for losses in income. They would not get that if this motion were passed tonight.

The $4 million for construction of a wharf at Come-By-Chance, Newfoundland, would go down the drain, and the $14.7 million for the benefit of miners at Devco in Sydney. The hon. member of Cape Breton-East Richmond (Mr. MacInnis) should explain that. There is $2.5 million to help discharged inmates of federal penitentiaries who suffered physical disabilities, and $104.9 million for transportation subsidies to railroad companies. The Tories are always screaming about railroad subsidies. Seven provincial governments, the poor ones, would be denied $129 million in federal equalization payments.

There is the $2.5 million to British Columbia as compensation for floods in 1972. They are all in the supplementary estimates. Then there is the $3.5 million payment to Indians and Eskimos. The hon. member for Kingston and the Islands (Miss MacDonald) is always talking about Indians and Eskimos. And $10.2 million for northern development. There is the $14 million loan to Canadair Limited to preserve jobs in Montreal. Perhaps the hon. member for Saint-Hyacinthe (Mr. Wagner) should explain that. There is the $3.9 million payment to western wheat farmers for barley subsidy, and the $68 million for producers of wheat outside the designated areas. The Privy

Council office would be denied $18.6 million to pay for the last election so that there could be a new election.

Mr. Speaker, we condemned the sale of Polymer last year, we condemned it yesterday, and we condemn it today.

An hon. Member: But you are going to vote for it tonight.

Mr. Rodriguez: These Tories are opposed to the investment of public funds to develop Canada's resources for the benefit of all Canadians. Like their Liberal counterparts, they are friends of the corporate elite and masters of the game of exploitation. As a matter of fact, Tories are experts in exploitation. They have one, Mr. Stephen Roman, owner of Denison Mines—this is what shakes my confidence that they can ever lead the country in terms of what we want—who in a speech to the Kiwanis Club in Toronto, at the Royal York hotel on January 13, 1971, said: "From time immemorial we have had exploiters and exploited." Mr. Speaker, this gentleman owns Denison Mines which paid no income tax between the years 1961 and 1970, despite profits of $63.5 million from 1965 to 1970.

In addition, Denison entered into an agreement with the federal government in December, 1970, by which the federal government agreed to subsidize the company to the tune of $29.5 million, three-quarters of the cost of stockpiling uranium concentrate. This man, who knows exploitation inside out, went on to say that: "exploiters were feudal lords, industrial barons or modern politicians." I guess he meant Tory politicians. He said: "In our capitalistic society the proper approach of capital to the end result will not lead to the exploitation of the human being." Who is he trying to kid with that?

An hon. Member: The voters.

Mr. Rodriguez: Well, he was not successful. He went on to say: "Compulsory exploitation of the creative elements of our society by an element unwilling to work creates and produces no less than the nineteenth century exploitation of the poor by capital." He believed: "Every human being needs a certain amount of anxiety to stimulate creativity, and if we do away with anxiety we will produce a human being devoid of emotion and initiative." It is passing strange that the removal of such an anxiety by government subsidy to Denison did not rob Mr. Roman of his ambition. Why did the government not at least get equity for the subsidies the taxpayers gave to Denison? Where were the Tories then? But to get back to the CDC—

An hon. Member: How about Polymer? That's what the debate is about.

Mr. Rodriguez: Obviously, in spite of the power games that they play in this House of Commons, and I wish they could be televised so that the people of Canada could see what happens here.

Some hon. Members: Hear, hear!

Mr. Rodriguez: I wish the television cameras could see this performance.

An hon. Member: You would come out a real pinko.

Sale of Polymer

Mr. Rodriguez: It would really shock the public of this country to see how you Tories are shafting them. The Tories are opposed to public ownership in any form, as evidenced by the hon. member for York-Simcoe in his speech last Friday. Just who would be able to buy those shares of the CDC?

An hon. Member: You would never buy any.

Mr. Rodriguez: I would hope that collectively the people of Canada, their taxes, would buy them. The Economic Council of Canada, in a recent study published on March 23, 1973, stated as its main conclusion the following:

> Twenty per cent of family units at the lower end of the income scale received 4 per cent of total incomes, half of it in some form of government transfers. The richest 20 per cent of family units received 45 per cent of total incomes.

• (2140)

So, who will be able to buy the shares of CDC, Mr. Speaker? Who will benefit from their ownership? Certainly it will not be the people of Canada. If the Tories are really serious about Polymer remaining under public ownership, I challenge them to bring forward, at an appropriate time and place, a motion forbidding CDC shares to be put on the market. I do not mind these children wasting their own opposition day with hopeless games, but if they want my party to be an accessory to folly they are barking up the wrong tree. The only responsible way to deal with the motion before us tonight is to vote against it, and then let us get on with the business of providing benefits for the people of Canada.

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I do not have too much time so I will try to be as brief as possible. I am a new member in this House. I notice that this afternoon the hon. member for York South (Mr. Lewis) accused every member in my part of the House of being juvenile. It is true that compared to him, in terms of length of service in this House, and age, I am a young member. I have not yet learned all the twisting and turning and tortuous jiggery-pokery that is necessary if one is to sell one's principles down the river in order to keep a sick government in power.

An hon. Member: You are not so innocent.

Mr. Reilly: I am, in the sense that I assume the people who elected me sent me here to oppose with all my strength, all my vigour and all my honour a government which has demonstrated palpably and painfully to the people of this country that it is unfit to govern. Since nothing that has happened since the election has convinced me that I should not do that, I shall keep on opposing the government. That is precisely what I intend to do. I shall vote against this government every time I get a chance to do so. It has had ten years, four under the current administration, to demonstrate that it cannot run this country. We now have the highest rate of unemployment in ten years, and have had it for the last two years. We have rapidly accelerating, relentless inflation. We have before us all the evidence that any reasonable man would need to assume that the country has had enough. The country cannot stand any more of these children and they should be turfed out of office as soon as possible.

Division

I do not think the people who elected me sent me to here to kiss the government on all four cheeks.

Some hon. Members: Oh, oh!

Mr. Reilly: That is what my friends down the way seem intent on doing. And, of course, they are doing it regularly every day. Let me mention a few facts. As I listened to the speech of the hon. member for York South I was reminded of something Leacock once said, to the effect that the only statement worth making is an overstatement. A half truth, like a half brick, is a far better weapon for argument, except that the half brick carries an awful lot farther.

The NDP must accept a few facts. Fact number one is that the majority of members of this House are opposed to the sale in question. Fact number two is that last Friday the NDP leader condemned it in the most scathing terms—those are mild words. Fact number three is that they are afraid to vote against the motion, because if the government is defeated they will be wiped out—and they know it.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Laniel): Order, please. I invite hon. members to permit the Chair to put the question. It being 9.45 o'clock p.m., it is my duty, pursuant to section 9 of Standing Order 58, to interrupt these proceedings and forthwith put every question necessary to dispose of the motion.

Is it the pleasure of the House to adopt the said motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

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

• (2150)

(Division No. 16)

YEAS

Messrs:

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Blenkarn
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Danforth
Darling
Dick
Dinsdale
Dionne
Ellis
Epp
Fairweather
Frank
Fraser
Gillies
Godin
Grafftey
Hales
Haliburton
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Hellyer
Higson
Hollands
Holmes
Horner (Battleford-Kindersley)
Howie
Hueglin
Hurlburt
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Kuntz
Lambert (Edmonton West)
Lawrence
Lundrigan
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Murta
Neil (Moose Jaw)
Nesbitt
Nielsen
Nowlan
Oberle
O'Connor
O'Sullivan
Paproski
Patterson
Reilly
Ritchie
Roche
Rynard
Schellenberger
Schumacher
Scott
Stackhouse
Stanfield
Stevens
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—101.

NAYS

Messrs:

Allard
Allmand
Andras
Basford
Beaudoin
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker
Blouin
Boisvert
Boulanger
Breau
Broadbent
Buchanan
Caccia
Cafik
Caouette (Charlevoix)
Caron
Chrétien
Clermont
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Fortin
Foster
Fox
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gilbert
Gillespie
Gleave
Goyer
Gray
Grier
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Howard
Hymmen
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Lang
Langlois
Laniel
Laprise
La Salle
Latulippe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)

Messrs:

Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver-Kingsway)
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mather
Matte
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Rompkey
Rooney
Rowland
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Tétrault
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Walker
Watson
Whelan
Whicher
Yanakis—145.

• (2210)

Mr. Speaker: I declare the motion lost.

MOTION FOR CONCURRENCE IN VOTE 1b, DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1b, in the amount of $1, of the Department of Industry, Trade and Commerce for trade-industrial-operating expenditures in Supplementary Estimates (B) for the fiscal year ending March 31, 1973, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Is it the wish of hon. members that we proceed with the vote without ringing the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Drury) which was agreed to on the following division:

(Division No. 17)

YEAS

Messrs:

Allard
Allmand
Andras
Basford
Beaudoin
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker
Blouin
Boisvert
Boulanger
Breau
Broadbent
Buchanan
Caccia
Cafik
Caouette (Charlevoix)
Caron
Chrétien
Clermont
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Dionne
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Foster
Fox
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gilbert
Gillespie
Gleave
Godin
Goyer
Gray
Grier
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Howard
Hymmen
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Lang
Langlois
Laniel
Laprise
La Salle
Latulippe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver-Kingsway)
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mather
Matte
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Rompkey
Rooney
Rowland
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Tétrault
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Walker
Watson
Whelan
Whicher
Yanakis—146.

NAYS

Messrs:

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Blenkarn
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Danforth
Darling
Dick
Dinsdale
Ellis
Epp
Fairweather
Fortin
Frank

Division

Messrs:

Fraser
Gillies
Grafftey
Hales
Haliburton
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Hellyer
Higson
Hollands
Holmes
Horner (Battleford-Kindersley)
Howie
Hueglin
Hurlburt
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Kuntz
Lambert (Edmonton West)
Lawrence
Lundrigan
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Murta
Neil (Moose Jaw)
Nesbitt
Nielsen
Nowlan
Oberle
O'Connor
O'Sullivan
Paproski
Patterson
Reilly
Ritchie
Roche
Rynard
Schellenberger
Schumacher
Scott
Stackhouse
Stanfield
Stevens
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—100.

Mr. Speaker: I declare the motion carried.

• (2220)

MOTION FOR CONCURRENCE IN VOTE 25b, DEPARTMENT OF LABOUR

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 25b, in the amount of $19,000, of the Department of Labour for Information Canada—program expenditures in Supplementary Estimates (B) for the fiscal year ending March 31, 1973, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Is it the pleasure of the House to proceed with the vote without ringing the bells?

Some hon. Members: Agreed.

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

[Mr. Speaker.]

(Division No. 18)

YEAS

Messrs:

Allmand
Andras
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Caccia
Cafik
Caron
Chrétien
Clermont
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Foster
Fox
Gauthier (Ottawa East)
Gendron
Gillespie
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Hopkins
Hymmen
Isabelle
Jamieson
Jerome
Lachance
Laflamme
Lajoie
Lalonde
Lang
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro (Hamilton East)
Olivier
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Walker
Watson
Whelan
Whicher
Yanakis—107.

NAYS

Messrs:

Alexander
Alkenbrack
Allard
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Bell
Benjamin
Blackburn
Blenkarn
Boisvert
Broadbent
Caouette (Charlevoix)
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Danforth
Darling
Dick
Dinsdale
Dionne
Douglas
Ellis
Epp
Fairweather
Fortin
Frank
Fraser
Gauthier (Roberval)
Gilbert
Gillies
Gleave
Grafftey
Grier
Hales
Haliburton
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Harding

Messrs.

Harney	MacDonald (Miss) (Kingston and The Islands)	Nelson
Hees		Nesbitt
Hellyer		Nesdoly
Higson	MacInnis (Cape Breton-East Richmond)	Nielsen
Hollands		Nowlan
Holmes		Nystrom
Horner (Battleford-Kindersley)	MacInnis (Mrs.) (Vancouver Kingsway)	Oberle
		O'Connor
Howard	MacKay	Olaussen
Howie	MacLean	Orlikow
Hueglin	Macquarrie	O'Sullivan
Hurlburt	Madill	Paproski
Jarvis	Marshall	Patterson
Jelinek	Masniuk	Peters
Kempling	Mather	Reilly
Knight	Matte	Ritchie
Knowles (Winnipeg North Centre)	Mazankowski	Roche
	McCain	Rodriguez
	McCleave	Rowland
Knowles (Norfolk-Haldimand)	McGrath	Rynard
	McKenzie	Saltsman
	McKinley	Schellenberger
Korchinski	McKinnon	Schumacher
Kuntz	Mitges	Scott
Lambert (Bellechasse)	Morgan	Stackhouse
	Muir	Stanfield
Lambert (Edmonton West)	Munro (Esquimalt-Saanich)	Stevens
		Symes
Laprise		Tétrault
Latulippe	Murta	Thomas (Moncton)
Lawrence	Neale (Vancouver East)	Towers
Leggatt		Wagner
Lewis		Whittaker
Lundrigan	Neil (Moose Jaw)	Wise
MacDonald (Egmont)		Woolliams
		Yewchuk—138.

Mr. Speaker: I declare the motion lost.

MOTION FOR CONCURRENCE IN VOTE 1b, DEPARTMENT OF NATIONAL REVENUE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1b, in the amount of $1, of the Department of National Revenue for Customs and Excise—program expenditure in Supplementary Estimates (B) for the fiscal year ending March 31, 1973, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Mr. Baldwin: Mr. Speaker, I rise on a point of order. Before the next vote is put, I would point out that the government has been defeated on a supply motion and should exercise its constitutional responsibility and resign.

Mr. Speaker: Order, please. Is it the wish of the House that the motion be put without the ringing of the bells?

Some hon. Members: On division.

Division

Mr. Speaker: I declare the motion carried on division.

Motion (Mr. Drury) agreed to.

• (2230)

MOTION FOR CONCURRENCE IN VOTE 1b, DEPARTMENT OF THE SOLICITOR GENERAL

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1b, in the amount of $209,000, of the Department of the Solicitor General for administration—program expenditures in Supplementary Estimates (B) for the fiscal year ending March 31, 1973, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Is it agreed that the House will proceed with the taking of the vote without the ringing of the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Drury) which was agreed to on the following division.

(*Division No. 19*)

YEAS

Messrs.

Allard	Cyr	Guay (Lévis)
Allmand	Danson	Guilbault
Andras	Davis	Haidasz
Basford	De Bané	Harding
Beaudoin	Demers	Harney
Basford	Douglas	Herbert
Bégin (Miss)	Drury	Hopkins
Benjamin	Dubé	Howard
Blackburn	Dupont	Hymmen
Blais	Dupras	Isabelle
Blaker	Duquet	Jamieson
Blouin	Ethier	Jerome
Boisvert	Faulkner	Knight
Boulanger	Fleming	Knowles (Winnipeg North Centre)
Breau	Foster	
Broadbent	Fox	Lachance
Buchanan	Gauthier (Ottawa East)	Laflamme
Caccia		Lajoie
Cafik	Gendron	Lalonde
Caouette (Charlevoix)	Gilbert	Lang
	Gillespie	Langlois
Caron	Gleave	Laniel
Chrétien	Godin	La Salle
Clermont	Goyer	Latulippe
Corbin	Gray	Leblanc (Laurier)
Corriveau	Grier	
Côté	Guay (St. Boniface)	
Cullen		

Division

Messrs.

LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mather
Matte
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Rompkey
Rooney
Rowland
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Tétrault
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Walker
Watson
Whelan
Whicher
Yanakis—141.

NAYS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Blenkarn
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Danforth
Darling
Dick
Dinsdale
Dionne
Ellis
Epp
Fairweather
Fortin
Frank
Fraser
Gauthier (Roberval)
Gillies
Grafftey
Hales
Haliburton
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Hellyer
Higson
Holland
Holmes
Horner (Battleford-Kindersley)
Howie
Hueglin
Hurliburt
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Kuntz
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Lawrence
Lundrigan
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Murta
Neil (Moose Jaw)
Nesbitt
Nielsen
Nowlan
Oberle
O'Connor
O'Sullivan
Paproski
Patterson
Peters
Reilly
Ritchie
Roche
Rynard
Schellenberger
Schumacher
Scott
Stackhouse
Stanfield
Stevens
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—105.

Mr. Speaker: I declare the motion carried.

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (B)

Hon. C. M. Drury (President of the Treasury Board) moved:

That Supplementary Estimates (B) for the fiscal year ending March 31, 1973, laid before the House March 6, 1973, except Finance vote 16b, Industry, Trade and Commerce vote 1b, Labour vote 25b, National Revenue vote 1b and Solicitor General vote 1b, be concurred in.

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

Some hon. Members: On division.

Motion (Mr. Drury) agreed to.

Mr. Drury thereupon moved that Bill C-166, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1973, be read the first time and printed.

Motion agreed to.

• (2240)

Mr. Speaker: When shall the said bill be read the second time?

Some hon. Members: Now.

Mr. Drury thereupon moved that Bill C-166, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1973, be read the second time and referred to the committee of the whole.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. The bill which has been placed before us and whose second reading has now been moved contains on page 13 of the schedule item 25(b), Information Canada, $19,000, which item I believe was deleted. It seems to me the bill ought to be amended by striking that out of the schedule.

Mr. MacEachen: It is struck out.

Mr. Knowles (Winnipeg North Centre): And by striking that amount out of the total.

Mr. Speaker: I am advised by the Clerk that the item has been removed in the copies which have been circulated. It is unfortunate that some may have been circulated without that correction. We shall make sure that only the corrected copies are circulated. Hon. members will appreciate that the officials had to move quickly to make the necessary corrections.

Mr. Baldwin: On the same point of order, Mr. Speaker, there is also the question of the totals. The totals are shown here, but I cannot tell whether they have been reduced by the appropriate amount. I submit, with deference, that this emphasizes the point I tried to raise a short while ago, that this government has been defeated on a supply bill—

Some hon. Members: Hear, hear!

Some hon. Members: Resign.

Mr. Baldwin: Out!

Some hon. Members: Oh, oh!

Mr. Speaker: I am advised by the officials that the required changes have been made in the copies distributed, including the changes in totals.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Lotbinière, on a point of order.

Mr. Fortin: Mr. Speaker, no one in our party has received copies of the amendments. To us this is important and calls for a point of order. In fact, it can be recalled that, on a similar occasion, as I was against the adoption of one vote, the Chair respectfully advise me that there could be no discussion of the subject matter of a bill at that time. Therefore, I would like to be given a copy of the amendments where there is no mention of the Information Canada item for $19,000. Otherwise, the possibility of discussing this bill will be established and we could therefore discuss it in the Committee of the Whole.

[*English*]

Mr. Nielsen: On the point of order, Mr. Speaker, I believe the Chair as well as the House generally is faced with a problem tonight.

An hon. Member: Yes. It is you.

Some hon. Members: Oh, oh!

Mr. Nielsen: I do not know whose interjection that was. But I am sure Standing Orders require that when this House deals with any bill, the order on first reading is that it shall be printed. The bill which has been distributed contains on page 4 interlineations, probably by the House leader or his staff, which are written in pen and ink. They also appear on page four of the French version. These are not printed at all.

In addition, a translation has purportedly been made. I submit there was no time for this to be done by the official translators, so reliance on that interlineation would be somewhat harzardous. Again, on page 13 there are small black pen marks through the schedule.

I submit the rules call for bills to be printed. This is not printed; it is only partly printed. Of course, as well as that rule, Your Honour is faced with the problem that the Standing Orders require all questions to be put this night on the final estimates. Nevertheless, I submit it is not proper for the government to place before the House a bill which is not printed in accordance with the Standing Orders.

Mr. Speaker: The hon. member for Yukon has put the matter very clearly. The Chair is faced with the obligation, under the Standing Order, to put all questions and this is what the Chair is attempting to do. We all appreciate that in circumstances such as this a special difficulty arises. The order is that the bill be printed. Bills are always, in such circumstances, printed in advance. That is the long-established practice. Otherwise nobody would know when they would become available. Perhaps we would have to wait until five o'clock in the morning until they were returned from the Queen's Printer for submission to the House.

With the hope that time can be saved, knowing that these bills are always printed in advance for the convenience of hon. members, and although the hon. member has suggested that because there are changes we cannot say the bill has been printed, in view of the fact that changes have been made under the direction of the Clerk and his officials to reflect the vote of the House taken earlier this evening, I should think this is the only practical way to proceed.

Mr. Woolliams: Mr. Speaker, I should like to make one or two remarks on this point of order, which I think go to the root of the problem. It seems to me a strange procedure that we get a bill which nobody could have had a chance to study or read, but we have to vote on.

Some hon. Members: Hear, hear!

Mr. Woolliams: I think that is a weakness. My friends can laugh, but my sympathy is with Mr. Speaker in this regard. I think this is one situation which a special committee should consider. It is superfluous tonight to ask us to vote on a bill which nobody in this House has read. Therein lies the problem. To put it the way Dickens might, if a rule of this House permit this procedure, the rule is a ass.

Mr. Speaker: There are three members rising on the point of order. I will, of course, hear them because the matter is an important one. The point made by the hon. member for Calgary North (Mr. Woolliams), which he has made before and on which the Chair has reflected, would certainly indicate that it is always difficult, in respect of supply, when the House is presented with a bill which is ordered to be printed and circulated immediately with very little time for study by hon. members. At the same time, I think in all fairness it can be said that hon. members have in advance a pretty good idea of what it will contain.

Mr. Nielsen: I rise on the point of order, Mr. Speaker. This is something I perhaps should have laid before the Chair when I spoke previously, but being involved with the rules I overlooked it. It seems to me that now the bill is before us, trying to reflect, as it does, in a very amateurish way the vote the House took on the Information Canada vote, this government in essence has been defeated on a supply item. Surely that brings the whole procedure in

which we are now engaged into serious question. A defeat on a supply item surely represents an expression of non-confidence in the government. Under our system, this puts the matter squarely before the government, that is, the decision to resign; and that is precisely the case here.

Some hon. Members: Hear, hear!

Mr. Nielsen: This matter arose once before in precisely the same circumstances, Sir, when the government was defeated on a vote in February, 1968. The consequences which followed were not the most desirable in terms of setting precedents in this House. None the less, this is a supply vote and the government has been defeated. If it means nothing to put notices of opposition on the order paper, as we did, and if it means nothing to place those matters before the House, and if the vote means nothing—which apparently is the case—and we go along with the government sitting there after it has been defeated, why vote at all on the notices of opposition?

Some hon. Members: Hear, hear!

Mr. Nielsen: The government has been defeated on a supply vote and there is only one consequence, that being that the government resign.

Some hon. Members: Hear, hear!

• (2250)

Mr. Nielsen: With regard to the other point of order, the point of order first made, Sir, concerning the mishmash we have before us now in the form of this bill, it is the suggestion of our House leader that perhaps a recess while House leaders confer on the matter might be acceptable to the House.

Some hon. Members: Oh, oh!

Mr. Nielsen: I hear opposition from the Liberal members. There does not appear to be concurrence in that suggestion. If that is the situation, then I represent most vigorously that the point of order I have raised with regard to the resignation of the government, and that this bill is not in front of us at the present time, must be dealt with at once.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I might comment upon the rather absurd proposition that has been put forward by the hon. member for Yukon (Mr. Nielsen). I think it is worth commenting on because it will appear in *Hansard* and anyone who is misguided enough to read the debate tonight will have some understanding, at least, of the context in which the suggestion of the hon. member for Yukon has been made.

The first point I want to make is that a very short time ago the House dealt with a formal motion of non-confidence moved by the hon. member for Yukon and—

Mr. Nielsen: Dealing with another matter.

Mr. MacEachen: —after a whole day's debate the House voted, as I recall it, with a very substantial majority to reject the motion of non-confidence moved by the hon. member for Yukon.

Some hon. Members: Hear, hear!

Mr. MacEachen: That was a formal motion of non-confidence. The hon. member for Yukon rises now and says that because a resolution that was put forward with regard to Information Canada in the amount of $19,000 has been defeated by the House, the government ought to resign.

Some hon. Members: Hear, hear!

Mr. MacEachen: That is the proposition. But bear in mind that the total of the supplementary estimates carried was in the amount of $434,835,000, less $19,000, and when Your Honour put that question and the yeas and nays were called, someone said, "On division". Who said, "Not on division; let us make the grant of the supplementaries in the amount of $434 million unanimous"? Who said, "Let us make it unanimous"? The hon. member for Yukon.

Mr. Nielsen: That is not the point at all.

Mr. MacEachen: I say to him, spare the House this absurdity.

Some hon. Members: Hear, hear!

Mr. Lundrigan: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Gander-Twillingate (Mr. Lundrigan) is rising on a point of order.

Mr. Lundrigan: Mr. Speaker, I move, seconded by the hon. member for Yukon, that this House do now adjourn.

Mr. Speaker: Order, please. I would have to make a ruling on this point. What the hon. member is proposing now is a motion. At first sight it would appear to go against the Standing Orders which say that the Chair is obliged to put all the questions. The hon. member, in the face of the Standing Order which is quite clear, proposes that the House adjourn. I am pleased to listen to direction from hon. members, but at first glance I would think the proposed motion clearly contravenes the Standing Orders.

Mr. Lundrigan: Mr. Speaker, the government House leader just now rose in his place to refute the argument of the hon. member for Yukon (Mr. Nielsen). The main argument that he offered in support of his position was that the House, immediately after the defeat of the government on the second vote which was taken on supply for Information Canada, moved to another motion which was passed by the House. Certainly the House leader is not suggesting that when a government is defeated it should depend for its support on the split second between the announcement of the vote and the decision of the Chair to call another motion.

If this is the argument that has been presented by the government House leader, then I question it; and without reflecting on the Chair, I suggest it is certainly not within the competence of the Chair to decide whether or not a

defeat has been sustained. The announcement was made of the defeat of the government on a vote of 137, I believe, to 107. The Chair immediately called another motion, and I seriously question whether the Chair had the right to do so.

Some hon. Members: Oh, oh!

Mr. Lundrigan: Just a second. On that basis, so far as we are concerned the proceedings of the House were terminated as of that moment and I say, Your Honour, that since 10.25 p.m., or for the last 35 minutes, this House had been sitting illegally.

Some hon. Members: Oh, oh!

Mr. Lundrigan: And the suggestion is that the House adjourn.

Mr. Speaker: We can go on for a long time on points of order. The Chair, of course, heard the suggestion made by the hon. member that the business of the House cannot be continued because the government has been defeated on a vote. I did not think there should even be a debate on this, because it cannot be a point of order; it is a question of constitutional law. Certainly the Chair has enough trouble ruling on points of order without having to rule on constitutional law.

This question is not only on the point raised by the hon. member for Yukon, and I recognize its importance, but I have no intention of deciding whether the government should sit or not sit, by virtue of our constitution, in answer to a point of order. This is why I thought that if hon. members want to fight this out, they cannot fight it through Mr. Speaker. I have no intention of ruling on it.

Some hon. Members: Hear, hear!

Mr. Speaker: As to the point of order, I have to bring to the attention of hon. members Standing Order 6 (4) which is clearly on the point and which confirms the suggestion I put to hon. members a moment ago. It reads:

> When it is provided in any standing or special order of this House that any business specified by such order shall be continued, forthwith disposed of, or concluded in any sitting, the House shall not be adjourned before such proceedings have been completed except pursuant to a motion to adjourn proposed by a minister of the crown.

The Standing Order is very clear. I did not write the Standing Orders; I have nothing to do with writing them. I think in the circumstances I am under instructions given to the Chair by the House, that is, to put the motions and it is up to hon. members to vote against them if they so wish.

• (2300)

Mr. Drury, seconded by Mr. MacEachen, moved that Bill C-166, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1973, be now read the second time and referred to the committee of the whole. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Supply

Mr. Speaker: Pursuant to Standing Order 54, I now leave the chair for the House to go into committee of the whole on the said bill.

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

On Clause 2.

The Chairman: Shall clause 2, as corrected, carry?

Mr. McGrath: On a point of order, Mr. Chairman, all I can say to you with great respect is that the bill before me does not contain any corrections whatsoever.

Mr. Nielsen: On a point of order, Mr. Chairman, I do not think it is up to the Chair to have to tell members of the committee of the whole what the correct meaning is. Since the government has taken the initiative to amend clause 2, I think that it should do it in a formal way. I think that the information should come not from you Sir, but from the government House leader, so that all hon. members will know exactly what we are voting on.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I suggest that it is quite incorrect to say that this bill should be amended. The bill comes before us as a result of earlier votes, altered from the way in which it was printed. So what is before us now is clause 2 with a figure reduced by $19,000. To move an amendment now would be quite out of order.

Mr. Nielsen: I am sorry that my choice of words—

The Chairman: Order. The hon. member for Yukon has already made his contribution on this particular point of order.

Mr. Nielsen: On a question of privilege, Mr. Chairman, and with all due respect to the Chair, I think it is incumbent on the Chair to hear members when they rise to make suggestions. I apologize to the House for using the term amendment, but surely the government House leader should tell all hon. members what words are going to be substituted for what words, because some members have blank bills before them, and goodness knows what writing appears on other bills. Surely it is incumbent on the government House leader to tell us what words and what numerals are going to be replaced with what words and what numerals.

The Chairman: Clause 2 is as follows: First, as a side note, there is: $312,877,231 granted for 1972-73. The clause reads:

> 2. From and out of the consolidated revenue fund, there may be paid and applied a sum not exceeding in the whole three hundred and twelve million, eight hundred and seventy-seven thousand, two hundred thirty-one dollars towards defraying the several charges and expenses of the public service from the first day of April, 1972, to the thirty-first day of March, 1973, not otherwise provided for, and being the total of the amounts of the items set forth in the Supplementary Estimates (B) for the fiscal year ending the 31st day of March, 1973 (less item 16b of the Department of Finance and item 25b of the Department of Labour which have been withdrawn), as contained in the schedule to this act, $312,877,231.

Shall the clause carry?

Some hon. Members: Agreed.

Clause 2 agreed to.

Clauses 3 to 7 inclusive agreed to.

The Chairman: Dealing with the schedule, I understand that there are changes on various pages. We will proceed first to page 4, the first paragraph, which reads:

Based on the Supplementary Estimates (B), 1972-73. The amount hereby granted is $312,877,231 being the total of the amounts of the items in the said estimates (less item 16b of the Department of Finance and item 25b of the Department of Labour which have been withdrawn) as contained in this schedule.

The rest of the schedule on page 4 is unchanged. Shall the schedule as contained on page 4, as corrected, carry?

Some hon. Members: Carried.

The Chairman: Shall the schedule as set forth on pages 5 to 12 inclusive carry?

Some hon. Members: Carried.

The Chairman: In the schedule as set forth on page 13 some words have been striken from the top of the page, the words "Labour" and "D Information Canada" and the line immediately after "Information Canada", thus deleting the first item at the top of page 13 of the schedule. Shall page 13 of the schedule, with these corrections, carry?

Some hon. Members: Carried.

The Chairman: Shall the schedule as set forth on pages 14 to 21 inclusive carry?

Some hon. Members: Carried.

The Chairman: On page 22 of the schedule the total on the right-hand side is reduced to $312,877,231. Shall page 22 of the schedule carry?

Some hon. Members: Carried.

The Chairman: Shall the schedule, as corrected, carry?

Schedule agreed to.

On clause 1—*Short title.*

The Chairman: Clause No. 1 has a change therein. It now reads:

This act may be cited as the Appropriation Act No. 2, 1973.

Shall clause 1, as read, carry?

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

• (2310)

Mr. Drury moved the third reading of the bill.

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

[The Chairman.]

INTERIM SUPPLY

Hon. C. M. Drury (President of the Treasury Board) moved:

That this House do concur in interim supply, as follows:

That a sum not exceeding $2,722,427,083.92 being the aggregate of—

(a) Three-twelfths of the total of all the Items set forth in the estimates for the fiscal year ending March 31, 1974, laid before the House of Commons on February 20, 1973, $2,526,603,492.25.

(b) An additional seven-twelfths of the total amount of Finance item 20 and Transport item L95 (Schedule A) of the said estimates, $17,319,750.00.

(c) An additional five-twelfths of the total amount of Treasury Board item 10 (Schedule B) of the said estimates, $22,692,916.67.

(d) An additional four-twelfths of the total amount of Urban Affairs item 10 (Schedule C) of the said estimates, $25,675,000.00.

(e) An additional three-twelfths of the total amount of Energy, Mines and Resources item 30, Manpower and Immigration item 10, Regional Economic Expansion items 35 and 40, and Transport items 35 and 45 (Schedule D) of the said estimates, $92,333,500.00.

(f) An additional two-twelfths of the total amount of Finance item 5, Transport item 55 and Treasury Board item 5 (Schedule E) of the said estimates, $25,524,000.00.

(g) An additional one-twelfth of the total amount of Indian Affairs and Northern Development item 70, National Health and Welfare item 60, Supply and Services items 1 and 5, and Veterans Affairs item 50 (Schedule F) of the said estimates, $12,278,425.00.

be granted to Her Majesty on account of the fiscal year ending March 31, 1974.

Motion agreed to.

Mr. Drury thereupon moved that Bill No. C-167, for granting Her Majesty certain sums of money for the public service for the financial year ending March 31, 1974, be read the first time and printed.

Mr. Lambert (Edmonton West): On a point of order, Mr. Speaker, I ask the government House leader for the assurance that the bill is in its usual form, and that all rights of members of this House with respect to any of the items listed in the bill are reserved for further consideration.

Mr. Drury: Mr. Speaker, with respect to the point of order, I can assure the House that the passing of this bill will not prejudice the rights and privileges of members to criticize any item in the estimates when they come up for consideration in committee. The undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

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

Mr. Speaker: When shall the said bill be read the second time?

Some hon. Members: Now.

Mr. Drury thereupon moved that Bill C-167, for granting Her Majesty certain sums of money for the public service for the financial year ending March 31, 1974, be read the second time and referred to the committee of the whole.

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

Clauses 2 to 6 inclusive agreed to.

Schedule agreed to.

The Chairman: Shall clause 1 carry?

On clause 1.

Mr. Baldwin: Mr. Chairman, I rise on a point of order. There is the usual government omission here. It may well be that in the bill Your Honour has called, the number of the act may be set out. However, in the bill given to the Leader of the Opposition and myself on behalf of our party, there is no number. Obviously there will have to be an amendment, because the Chair has received the bill in its present form. If necessary, I imagine the committee will be prepared to give unanimous consent to allowing the government to remedy its error and put in the number of the act.

The Chairman: Order, please. With regard to the point raised by the hon. member for Peace River, does the committee give unanimous consent, as the hon. member suggests, to this act being cited as the Appropriation Act No. 3, 1973?

Some hon. Members: Agreed.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Drury moved the third reading of the bill.

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

Mr. Speaker: It being after ten o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At 11:20 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, March 27, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS

VIET NAM—ANNOUNCEMENT OF CONTINUATION OF CANADIAN PARTICIPATION IN INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION FOR FURTHER 60 DAYS

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it has been a particular source of gratification to the government that the attitude Canada has adopted toward participation in the International Commission of Control and Supervision in Viet Nam has consistently enjoyed such a wide measure of public support. Our attitude toward a long term commitment and the conditions that we have attached to our service appear to be understood and accepted within this country and indeed to some extent outside it. This has been especially encouraging since the problem of our original participation and now the decision on whether or not to continue has within it the elements of a dilemma. The government was and still is highly conscious of the fact that there is no course of action it can choose which will meet all the demands being made upon us or command universal approval outside of this country. I venture to hope that the government's decision will, however, receive wide approval of this House and of the country and will not be considered unreasonable abroad.

Stated at its starkest, the dilemma lies in the desire of all Canadians to serve the cause of peace in Indo-China as long as, in the words of one hon. member, there is the slightest hope of a peaceful solution to the Viet Nam problem. On the other hand, the government is equally resolved that Canadians should not take part in a charade in which they will be required to supervise not a cease-fire but continuing and possibly escalating hostilities. From the purely Canadian point of view it is important that both aspects of the problem be squarely faced. Canada's reputation is closely associated with our contribution to international efforts to make peacekeeping a reality. Confidence in the feasibility of "peacekeeping" anywhere can only be maintained if activities bearing that description are not only effective but are seen to be effective by world opinion.

During the latter stages of the negotiation of the Paris agreements on Viet Nam, the government therefore informed the negotiating parties that it reserved its position on whether or not Canada would participate as a member in the ICCS until it had seen and studied the agreed arrangements to see if, in the light of our experience, the arrangements were workable. At the same time we presented to the negotiators a set of conditions which, if met, would have in our view made the peacekeeping arrangements for Viet Nam practical and credible. Also at the same time, we offered through the United States government some detailed proposals regarding the organization and practical arrangements of truce supervising in Viet Nam, based on the conclusions drawn from 19 years, experience in Indo-China.

I will not stretch the patience of the House by repeating our conditions which were given in full detail in my speech of January 5. I think it is fair to say that some of our points were accepted and incorporated in the documents that emerged. Nevertheless, when we saw the results of the negotiations as they were signed in Paris it also became clear that, in spite of the best efforts of the negotiators, the truce supervising arrangements left much to be desired. Moreover, one of our most important considerations, the establishment of a continuing political authority to which the ICCS and its members could report, was left for further consideration by an international conference to be held in Paris 30 days after the signature. As the House is already aware, I led the Canadian delegation to Paris at the end of February with proposals that would have given the ICCS the reporting authority which we considered necessary to its success.

• (1410)

In the meantime we had concluded that the other truce supervisory arrangements as laid down in the agreement left some doubt as to whether the Canadian criteria could be met. As I have said before on all possible occasions, this is no criticism of the agreements or of those who negotiated them. It is undoubtedly the best agreement that could have been negotiated in the circumstances and the results have, in spite of all, turned the course of world events in a new and more hopeful direction. Our reservations, therefore, are based simply on a Canadian appreciation that the task as outlined was not one well suited to Canadian methods and the Canadian temperament. In the final analysis we recognized, however, that what mattered most was the element of good faith on the part of all concerned and this could only be judged by trying to make the machinery work. It was for this purpose that we agreed to serve for an initial period of 60 days, to which an additional 30-day grace period was added to enable the parties to find a substitute in the event that we decided not to continue. That 60-day period ends on Thursday.

After returning from Paris I concluded that it would not be possible to reach a well-founded decision without having seen for myself the conditions in which the ICCS, and particularly our delegation, was operating, or having spoken directly with the leaders of the governments most directly concerned. I have had, as the House knows, sever-

al contacts with the U.S. Secretary of State on this subject and I was well aware of the views of his government. I wanted to have the views of others as well.

Accordingly, on March 13 a group of representative Canadians, although not unfortunately entirely representative of this House, left for a trip that was to put me in touch with both Vietnamese governments, the government of Laos, as well as some leading personalities in the so-called provisional revolutionary government of South Viet Nam and of the Pathet Lao movement. It was a very intense indoctrination into the facts of life in the ICCS and the attitudes and policies of the governments most directly concerned. I think all those who went came back with at least one impression in common: that is, that the ICCS was not performing the tasks assigned to it under the cease-fire agreement. I am also quite confident that most of my travelling companions would agree that this was in spite of the best efforts of the Canadian delegation to make it work. We have heard it from a sufficiently wide variety of sources to accept it as a matter of fact that had it not been for the energy and ingenuity of the Canadian delegation, even the setting up of the various bodies required by the agreement would not have taken place as soon as it did.

Although our visit left most of us with misgivings on the operation and success of the ICCS in carrying out its assigned tasks, we also had brought home to us that in some quarters this was seen as of very little consequence. We have been well aware for some time that not everybody shares Canada's concept of truce observation and supervision. There are other points of view with which we do not quarrel. We were also well aware that some of the interested parties at least, and many other countries such as Britain and Japan, were of the view that Canada should continue to serve on the ICCS regardless of whether it measured up to our standards. In all honesty, Mr. Speaker, I must say frankly that very few countries believed, in spite of our efforts to make our position known, that there was a real possibility that Canada would opt out of the ICCS.

My trip to Viet Nam has, I am sure, convinced some that we were indeed prepared to take this step if in our judgment the whole arrangement was unworkable and was not serving the cause of peace in Viet Nam. This had at least one salutary result in that we began to hear less about everything being lovely in Viet Nam and that the ICCS had the potential of becoming a really vital force in keeping the peace in Indo-China. Instead, we began to hear somewhat more convincing arguments that there was a totally different but equally vital role that bore no relation to our previous experience and is nowhere hinted at in the text of the agreement and protocols. Roughly stated, this is to provide an international presence as an indication of the continued involvement of the world community in the Viet Nam situation. Although the ICCS may not be necessary for the purposes of carrying out the agreement, its absence would be taken as an indication that the agreement lacked world support and consequently our withdrawal could become a further destabilizing psychological factor in a situation already very unstable.

There are two things I should like to say about this so-called psychological role. The first is that I am not convinced that the ICCS does play such a part in the thinking of the Vietnamese. The second is that I do not believe that Canada and Canadians can be expected over any protracted period to play this part. So far as the North Vietnamese are concerned, I formed a clear impression that they regard the texts of the agreement and protocols as untouchable. They undoubtedly have their own interpretation of precisely what each article means and this interpretation adds up to either a peacefully reunified Viet Nam or one whose reunification by force would be justified on the grounds that the other parties had not "scrupulously adhered to the agreement". Needless to say, some of the other parties do not share this point of view.

To the government of the Republic of Viet Nam the agreements are seen as an opportunity to remove the North Vietnamese, if not from their territory, at least from the negotiating tables, and to give to them an opportunity to deal with their fellow South Vietnamese of the PRG direct and across the table without intervention from the north. The government in South Viet Nam believes that in a relatively short period of time it will know whether this possibility holds any prospect of leading to a negotiated settlement in South Viet Nam. It remains to be seen if this is a realistic aspiration.

It is no part of the responsibility of Canada as a member of the ICCS to judge the relative merits of these two positions. But it is now clear as it was not two months ago that all the Vietnamese parties will need a little time to demonstrate the feasibility of their solutions; not to bring them about, just to demonstrate feasibility. Once confidence has been established and if there has been some movement toward a political solution on either side's terms, the peace will no longer be as fragile as it is and the mere presence of an international commission will no longer be regarded as a vital part of the picture or as necessary to contribute to a solution. On the other hand, if neither side's view of a political solution is making any headway, we can look forward to a resumption of full scale hostilities regardless of the presence of any observer or supervisory body.

It is out of consideration for this new element and for the possibly far-reaching consequences of opting out now for which we would have to accept some responsibility that the government has decided not to exercise its option to withdraw after 60 days, even though it could justify doing so on the basis of the reasonable application of its announced criteria. On the other hand, our experience, both past and present, does not justify moving into acceptance of open-ended or unconditional participation. Consequently, the government proposes to inform the parties to the agreement that Canada would be prepared to continue to serve on the same basis as it does now for a further period of about 60 days, that is, until May 31—

Some hon. Members: Hear, hear!

Mr. Sharp: —after which, unless there has been some substantial improvement or distinct progress has been made toward a political settlement, it will withdraw, giving a further 30-day grace period for the parties to find a successor. This means that Canada, unless there is a substantial improvement in the situation or some signs of

an imminent political agreement, will cease to participate in the ICCS by June 30, 1973. All the parties will by then have had adequate time to carry out those provisions which the ICCS was created to supervise, perhaps even the holding of elections on which I will have something to say later. If the South Vietnamese parties now meeting in Paris are able to reach an early accord on internal matters as envisaged and encouraged in the Paris agreement of January 27 our decision will present no obstacle.

One important aspect of the agreement assigns a task to the ICCS, not in the field of truce observing but in contributing to the political settlement which alone can bring about the end of the war. The agreement calls for an election to form a new national government. The ICCS protocol assigns an undefined observer role to the ICCS. The meetings now going on between the two South Vietnamese parties are intended to produce the conditions under which the election should be held. This electoral function is distinct and separate from the other functions assigned to the ICCS and the rules have yet to be elaborated. It could therefore be dealt with separately. So far as Canada is concerned, regardless of our status in respect of other aspects of the agreement, we would remain ready and available to serve, as the parties may wish, in helping to supervise an election provided it was called under the provisions of the agreement. It would not apply to an election called in other circumstances.

Canada will also inform the four parties to the Paris agreement that as Canada neither negotiated nor signed the Paris agreement we do not regard ourselves as bound by its provisions beyond the extent to which those who did sign it consider themselves bound. This was in fact one of our earliest conditions of service. Consequently, we will leave or otherwise regulate our deployment at any time if the parties who signed the agreement show, by their actions, that they no longer regard themselves bound by it. The resumption of large scale hostilities or any action tantamount to a direct denial by the parties of their obligations under the agreement would, in the government's view, relieve Canada of further responsibility to the ICCS. Should this decision be forced upon us, the government will state its reasons for withdrawal publicly.

• (1420)

I am not predicting that the arduous and skilful work involved in reaching this agreement will be nullified by an early escalation of hostilities. Nevertheless, there is a great deal of evidence that the means to resume the war are readily available and there is, unfortunately, also reason to think that this possibility is not excluded from the calculations of some at least of the parties concerned. We shall reassess the situation again before the end of May and give our definitive view at that time.

In closing, Mr. Speaker, I should state that in the time remaining to us in the commission we will continue to maintain the objective and open approach we have taken until now and endeavour to see that the ICCS fulfils not only the psychological part that has been superimposed on it but also the duties as laid down in the agreements. We will not take part in a charade nor will we tacitly condone inaction when we believe action is required.

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, we understand and share the qualms with which the government must have made this decision. This problem is tormenting the hearts of all Canadians, I say this quite objectively; I am aware of the difficulties that the cabinet members have had to consider.

When the Secretary of State for External Affairs (Mr. Sharp) returned home, it was clear to us that what he had seen of the situation over there had him bewildered and perhaps—if it is not too strong a word—pessimistic. We could see immediately that Canada was on the horns of a rather cruel dilemma. On the one hand, the effectiveness of the ICCS and the safety of our observers were at stake. On the other hand, various countries were pressing for us to accept a role that we had, in fact, already agreed to play. So the Secretary of State for External Affairs had the choice of leaving our force over there and working towards peace in that way, or else leaving Viet Nam and refusing to be associated with what seemed to be the illusion of keeping the peace. The hon. minister has chosen to set back the time limit by 60 days. In doing so, he has conceded priority to the higher interests of peace, and is thus displaying his hope that time will heal all.

[*English*]

Quite apart from the merits of the decision just announced by the Secretary of State for External Affairs there remains the issue of why the minister and the government would not and could not consult parliament on this matter. The minister may have assumed that parliament would not have extended the force's mandate at all. It is that type of assumption that continues the tradition of this government in the area of underestimating the compassion and understanding that other parties in this chamber have for Canada's international role.

Some hon. Members: Hear, hear!

Mr. Wagner: For the record, Mr. Speaker, my party continues to protest the way in which this decision was made. Moreover, we pledge to continue to raise those questions both here and in committee to which Canadians who have concerns about this decision have the right to answers. That is our responsibility to the people of Canada. That is our responsibility to those who are serving Canada in Viet Nam.

It is no doubt probable that our options as a nation became more and more limited as every day of our stay in Viet Nam passed. In the debate on the original motion presented by the minister, we raised the futility of considering a withdrawal after 60 days in terms of the effect that withdrawal would have on the over-all arrangement in Viet Nam. Nevertheless, the fact that the final decision has been put off for another 60 days in no way limits the gravity of that decision.

The minister assured us on his return, and he repeated the statement this afternoon, of the degree to which other nations in the world wanted us to remain. I say to him now that this recommitment for 60 days must be accompanied by fresh diplomatic initiatives to gain acceptance of our conditions.

Some hon. Members: Hear, hear!

Mr. Wagner: The cautious view of success advanced by the minister indicates the degree to which these initiatives are important. If hostilities increase, there is the issue of the safety of our troops. My party expects the minister to be in daily contact with the field and to have proper contingency plans ready for evacuation, if necessary. We will press for daily assurances, if necessary. These are assurances that all Canadians have a right to receive.

We in this party share the minister's commitment to Canada's role in aiding the achievement of peace in Indo-China. We would have been stricter in the championing of our conditions and less eager to ignore their being watered down. Nevertheless, the goal in Indo-China is something about which the minister and myself have little quarrel.

There are those in this chamber who would call for immediate notification of "a pull-out" now and thereby leave nothing but despair as our legacy in Indo-China. I am proud that my colleagues and I do not share that view.

Some hon. Members: Hear, hear!

• (1430)

Mr. Doug Rowland (Selkirk): Mr. Speaker, I am tempted to devote my time to the last few sentences of the hon. member for Saint-Hyacinthe (Mr. Wagner) but my purpose is to reply to the minister's statement.

The minister's final sentence is one which I think everyone in the House can endorse. I think it is worth restating. The minister said: "We will not take part in a charade nor will we passively condone inaction when we believe action is required." That is a position this party can endorse. But I want to express my doubt that the decision made by the government with respect to what Canada should now do is the best possible means of ensuring that this admirable goal is met.

The New Democratic Party endorsed Canada's decision to become a part of the International Commission of Control and Supervision. We did so because all four parties had asked us to participate in that commission and because we thought it important not to do anything at that time which could cause further delays in bringing about a prospective peace in Viet Nam, nothing which could introduce further delays in permitting the Americans to withdraw from a war in which they should never have been involved in the first place.

We also endorsed at that time the government's decision to participate provisionally on a 60-day basis, because we had some severe reservations about the conditions under which the commission would have to operate, reservations about the efficacy of the commission under those conditions, and we agreed that a review should take place at the end of 60 days and then a decision made. What worries me at the moment is that we have had that review and we still in some sense have not made a decision.

It rapidly became apparent to those of us who went to Viet Nam with the minister that, beyond the fact that the initial conditions which he set out, the two key ones, had not been met, that of an international authority to which the commission could report and that the commission should have freedom of access to all parts of South Viet Nam for the purpose of carrying out its investigations, the prospects for the ICCS effectively carrying out its duties remain minimal for some additional reasons, one of which is the make-up of that commission. Canada on one side and Poland and Hungary on the other have very different conceptions of what the commission should be doing and the very difference in those conceptions makes it difficult for the commission to work. Beyond that, none of us who were in Viet Nam, I think it is fair to say, saw any great inclination on the part of any of the former belligerents, and I put the word "former" in quotation marks, to adhere to either the letter or the spirit of the Paris agreement. It was reported to us that since the so-called peace there had been some 14,000 violations of that peace, 7,000 of which had been reported and only 35 of which had been officially presented to the ICCS for investigation. At the time we were there it was only 26, now it is 35.

It became apparent to us during our visit to Viet Nam that the only reason the ICCS was effective even to that minimal extent was the vigorous action taken by the Canadian contingent there, action of the sort which had been referred to by the Department of External Affairs in a wry sort of way as their open-mouth policy, but action of a sort which the minister and other expert witnesses before the Standing Committee on External Affairs and National Defence have indicated can only be effective for a very, very brief period of time. On top of this evidence we have heard recently very pessimistic statements from our ambassador in Viet Nam, Mr. Gauvin. In addition, we have seen fresh reports of continued fighting and evidence that the situation may further degenerate and that fighting may accelerate.

Given all these facts, my party decided, and I think it is worth while to state it for the record, that on March 28 Canada should give the 90 days notice provided for in the agreement and make it clear that we are leaving at the end of that 90 days whether or not a replacement is found, whether or not the ICCS is functioning as designed and whether or not there is peace. There should always be the reservation that if the situation dissolves into chaos we shall have the right to remove our people from danger. In so doing we should indicate that we intend to continue, even intensify, for the entire remaining period of our stay our current techniques of operation which the Department of External Affairs refers to as the open-mouth policy. Much greater attention should be devoted to the fate of political prisoners in the remaining period. This solution has the advantage of ensuring that we have done everything possible tactically, technically, administratively and logistically to ensure that the ICCS is capable of operating as designed if by some chance it should be permitted to do so. Moreover, we will have removed ourselves before our abrasive tactics have become ineffective, thus permitting another nation to take up the cudgels. And by making our commitment to withdraw definite we will ensure that the four parties to the Paris agreement will look for someone to take our place, and find someone. In addition, if by some miracle peace is attained, the ICCS will in 90 days have carried out its major and most urgent functions under the terms of the agreement and it would then be a fairly simple matter for another country to move in and carry out the relatively routine duties remaining. Further, that timespan would permit the possibility of finding a replacement, allowing it to brief itself

on the situation and to establish the support functions necessary for it to participate effectively.

If, on the other hand, as is more likely, peace is not established, we will be able to leave having made an all-out effort to continue to contribute to peace. We will have done everything possible, everything reasonable in an untenable situation to ensure that it was not our action which contributed to a lack of peace through the collapse of the ICCS. If at that point the ICCS should cease to be able to operate it would not make a lot of difference because at that point there would be no peace to supervise.

Mr. Speaker, I am highly conscious of the difficulties that confronted the government in making its decision and I am highly conscious of the pressures and the multitude of factors it had to take into consideration in making it. The government's position is to stay for a further 60 days, then to review the situation again, and if there is no improvement they will be out in another 30 days. That will bring them to the end of June, which is substantially the same position as our party has taken in terms of time span except that we say we should be out at that point without reservation and let another country take up the task.

The first point I want to make with respect to the minister's final position, that of 60 more days and then a review and then out in 30 if there is no improvement, is this: the minister said that unless there has been some substantial improvement or unless distinct progress has been made toward a political settlement we will withdraw. I want to know what the minister considers substantial improvement to be. What constitutes a substantial improvement and what, in the minister's opinion, constitutes definite progress toward a political settlement? We have twice set conditions in making our commitment to participate in the commission, in making our commitment to stay for 60 days, and now we are making a third set of conditions. At what point do we cease to be believable? What makes the minister think that the four former belligerents will take any more notice of our conditions this time than they did on the last two occasions? What makes the minister believe that those former belligerents, seeing his statement today, will not say, well, perhaps at the end of 60 days a little further arm twisting might persuade Canada to stay on again? These are very relevant considerations.

There is one final point to make. The minister said the resumption of large-scale hostilities or any action tantamount to a direct denial by the parties of their obligations under the agreement would, in the government's view, release Canada from further responsibility to the ICCS. That is a proper position to take, but I want to know whether in the minister's opinion a resumption of bombing by the United States would constitute such a denial by one of the parties of their obligation under the agreement. I believe it should be considered to be such denial by the government in its further actions.

• (1440)

I have one final point. Whatever we decide to do—whether the government successfully persuades the House that this is the position that Canada should take or we ultimately come to the conclusion that we should make a definite commitment to get out of Viet Nam in 90 days—the remaining time in Viet Nam should see Canada devoting much greater attention to, and involving ourselves much more directly in, the problem of political prisoners in that country.

Some hon. Members: Hear, hear!

Mr. Rowland: There is no possibility of peace in Viet Nam so long as many of the people who wish to be peacemakers are in prison. That should be a consideration that the government cannot put aside.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, at the beginning of my remarks about the statement made to day by the hon. Secretary of State for External Affairs (Mr. Sharp), I would like to say that the text reached us only in English.

I want to remind the minister, as well as all his colleagues, that these statements must be published in both official languages so that all members can become acquainted with the message delivered by the minister.

If the government intends to continue distributing the text of ministers' statements only in English, it should at least see to it that the message of apology attached to it be in French. We could then find a little good will in the attitude of ministers who too often distribute the text of their statements in only one language.

Anyway, Mr. Speaker, despite the lack of a French text, I was able to become acquainted with the minister's statement.

Mr. Speaker, we have already stated the position of our party as regards the maintenance of the Canadian delegation within the ICCS in Viet Nam. We believe that as long as all Vietnamese wish that we remain, we are duty bound to remain as long as there is the slightest hope of an improvement of the situation in Viet Nam.

As a matter of fact, for the past 60 days, the Canadian delegation did not feel it was playing a worthwhile role.

Is is also true that thousands of cease-fire violations have occurred.

Mr. Speaker, people would have to be very naive to believe that a conflict which has been lasting for over 30 years is going to end overnight. Despite the good will of those involved, a spirit of vengence and rivalry remain. Therefore, we have to be patient.

We agree with the government's intentions. We would have preferred a 90-day instead of a 60-day period because we know it is a matter of time and patience before this war is ended. However, if in addition to the 60 days suggested by the government we include the 30 days of grace to allow the ICCS to find a new member, the extension announced by the government corresponds to the one we have proposed.

The Canadian presence in Viet Nam, despite the difficulties and frustrations which result from such a situation, shows the whole world that Canada is not a Pontius Pilate and does not wash its hands of the hardships and conflicts of this world.

Canada shows all the Vietnamese people that it does not hesitate to spend its time and energy to promote world peace.

The Canadian delegation in Viet Nam contributes to the hopes for peace which persist in this region despite a long and cruel war and that is why our delegation must remain there.

However, we believe that if the life of our delegates is threatened by a sudden increase in the cease-fire violations, the government should take the necessary steps to ensure the security of our delegation in Viet Nam.

Such is the position of our party, Mr. Speaker.

* * *

[*English*]

COMMUNICATIONS

TELECOMMUNICATION RATE INCREASES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, pursuant to Standing Order 43 I ask for unanimous consent of the House to move a motion on a matter of urgent and pressing necessity, namely the decision of the Canadian Transport Commission to approve massive increases in rates for private wire, telex and broadband exchange services. I therefore move, seconded by the hon. member for Moncton (Mr. Thomas):

That in the opinion of this House the Canadian Transport Commission be instructed to withdraw its decision today approving increased telecommunications rates and that the government outline specific price guidelines for those areas under direct federal authority.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

SUGGESTED ABOLITION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to present a motion on an important and urgent matter.

As a result of the sustained criticism against the CBC and the fact that this body no longer seems to meet the needs of Canadians generally, and that the members of Parliament exercise no control over its administration, I move, seconded by the hon. member for Champlain (Mr. Matte):

That this Parliament order the closing down of the Canadian Broadcasting Corporation and its replacement by a body responsible to Parliament whose interests will be suitable to the rights, privileges and wishes of the Canadian people as a whole.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

FINANCE

FREEZING OF BANK INTEREST RATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of this House to move an urgent motion.

In view of the exclusive privileges granted to the chartered banks which, for all practical purposes, control our economy, and their recently expressed intention to raise their interest rates, I move, seconded by the hon. member for Kamouraska (Mr. Dionne):

That this House freeze the present rates of interest of the chartered banks for a minimum period of two years with a possibility of decreasing them and that it demand the gradual increase in the reserve rate of these banks up to 100 per cent and that the privilege of creating our national credit be from now on exclusively reserved to the Bank of Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

[*English*]

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

VIET NAM—CONTINUED CANADIAN PARTICIPATION IN INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wonder whether the Secretary of State for External Affairs would clarify a matter for me. Am I correct in understanding that the decision to stay on in Viet Nam for a further period of time is not based on any belief that the original purpose of supervising the truce

can be carried out but is rather due to the importance of providing an international presence as an indication of the continued involvement of the world community in Viet Nam, the lack of which would hinder the achievement of a political settlement? Further, will the test concerning whether consideration will be given to our staying on beyond the original 60-day period be answered entirely in terms of the progress toward a political settlement rather than any judgment in terms of supervising the truce?

• (1450)

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. I think that would be a one-sided interpretation of the situation. We are there in order to help in supervising the truce. That is why we were asked to take part. It has been urged upon us, however, that there are other values to be taken into account. That is the reason we have given only a 60-day extension and not an indefinite extension.

Mr. Stanfield: Is it the opinion of the Secretary of State for External Affairs that the ICCS has a reasonable potential of becoming a really vital force in keeping the peace in Indo-China?

Mr. Sharp: Mr. Speaker, as I have said before in the House, the only parties that can keep the peace are the parties to the peace agreement. What the ICCS can do may be to help, if asked to do so, by observing and reporting. However, we have not been given very much freedom of action to perform that function.

Mr. Stanfield: Mr. Speaker, I hoped I had understood the statement upon reading it but I must say I do not understand it now. I should like to ask the Secretary of State for External Affairs whether he can reconcile for me what appears to be a contradiction. On one page he says that Canada will continue to serve on the same basis as it does now but not beyond May 31 unless there has been some substantial improvement or distinct progress has been made toward a political settlement. On the previous page the minister said that once confidence has been established and if there has been some movement toward a political solution on either side's terms, the mere presence of an international commission will no longer be regarded as a vital part of the picture. As I understand the minister, on the first page he is saying—

An hon. Member: Will you repeat that?

An hon. Member: You are reading too fast.

Mr. Stanfield: I am sorry if I read it too fast. I understand the minister is saying in one place that an international presence will no longer be necessary if there is some movement toward a political solution on either side's terms, while later he seems to be saying that we will stay on if there is some substantial improvement.

Mr. Sharp: Mr. Speaker, the statement is drawn in very careful terms as I think such a statement should be because it will be read in all parts of the world as an indication of Canada's attitude on this question. We have said, and I am sure the Leader of the Opposition would agree, that if there is some evidence of movement toward a political settlement we should stay but if it gets to the point where a political settlement is achieved obviously there is no need for the ICCS.

VIET NAM—DECISION TO CONTINUE CANADIAN PARTICIPATION IN SUPERVISORY COMMISSION—REQUEST THAT RESOLUTION BE PLACED BEFORE HOUSE

Mr. David Lewis (York South): I have a supplementary, Mr. Speaker. May I ask the minister whether it is his intention to place a motion before the House of Commons regarding the decisions made by the government for participation in Viet Nam?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have spoken to the House leader and he would be quite willing to discuss with the other leaders in the House the idea, for example, of having an adjournment motion on which our decision could be debated.

Mr. Lewis: I do not quite understand. May I ask the minister whether what he is suggesting to the House is that there would be some general adjournment motion but that he is not prepared to place before the House a resolution containing the precise decision the government has made?

Mr. Sharp: Mr. Speaker, I had been talking to the House leader and he thought that perhaps the best way to have a debate, which is what I had promised, would be to have a motion to adjourn the House to discuss this decision. I think this would be suitable, but if the opposition has some other way by which we could bring the matter to debate we would be glad to consider it.

Mr. Lewis: Mr. Speaker, whether or not there should be another method depends on whether or not the minister is prepared to place the decision before this House of Commons for a vote, or is it his suggestion that we would merely have a debate of some hours and that is all?

Mr. Sharp: Mr. Speaker, the difficulty, as has been said by the spokesman for the official opposition and to some extent by the spokesman for the NDP, is that this is just a tentative decision and not a final decision. It seems to me it would be more appropriate to discuss the present situation on an adjournment motion and when we come to making a final decision to present the kind of resolution the leader of the NDP has suggested.

[*Translation*]

Mr. Speaker: Does the hon. member for Portneuf wish to ask a supplementary?

Mr. Roland Godin (Portneuf): No, Mr. Speaker.

[*English*]

VIET NAM—ARRANGEMENTS TO ASSURE SAFETY OF CANADIAN PERSONNEL ON SUPERVISORY COMMISSION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a very simple question I should like to ask in

order to allay the fears of Canadians concerning the safety of the members of the Canadian contingent. In the event of a widespread outbreak of hostilities and even open war, what arrangements are being made concerning the Canadians who are there? Will our contingent then be withdrawn immediately irrespective of whether this is before the 31st of May or the end of June?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The answer to that question is yes, Mr. Speaker. As I said in my statement, if there were large-scale hostilities the Canadian delegation would be withdrawn immediately. My hon. friend, the Minister of National Defence, can deal with the question of the arrangements that have been made for that contingency.

Mr. Diefenbaker: Then I would direct my question to the Minister of National Defence. Will he let the Canadian people know whether the Canadian forces will be withdrawn immediately for they certainly stand in dreadful peril having regard to the number of incidents that have already taken place and which are apparently expanding in intensity, and to the number of tanks that North Viet Nam has run into South Viet Nam as well as large contingents of men?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker, I can assure the right hon. member and the House that the safety of our personnel has been of the greatest concern to us from the beginning of this operation. Through headquarters we are in daily contact with our commander in South Viet Nam. We have very clearly defined plans for evacuation either by air or, if necessary, by sea. I can assure the House that the safety of our personnel is uppermost in our minds.

Mr. Diefenbaker: I have a further question, Mr. Speaker. When such a serious incident takes place and Canadians find themselves under attack, will that end the operation of the ICCS? Will it end right there rather than continue until May 31 or the end of June?

• (1500)

Mr. Richardson: I think I would have to say that that is in some degree hypothetical, because it would depend on the degree of hostilities. If there is open warfare, we have all made it very clear and the Secretary of State for External Affairs has made it very clear that we would withdraw our personnel. But if there is an isolated incident of some kind or other, we would have to make a judgment.

Mr. Diefenbaker: In which Canadians are wounded?

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Portneuf and then return for supplementary questions to the hon. member for Cape Breton-East Richmond, the hon. member for Nanaimo-Cowichan-The Islands and other hon. members who have supplementaries on this subject.

[*Translation*]

Right now the hon. member for Portneuf is invited to ask his question.

[Mr. Diefenbaker.]

CANADIAN BROADCASTING CORPORATION

SUGGESTED ABOLITION

Mr. Roland Godin (Portneuf): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister.

Can he say if he contemplates suppressing the CBC eventually?

Mr. Lewis: I hope not.

[*English*]

Mr. Speaker: We will now return for a moment to supplementary questions. The hon. member for Cape Breton-East Richmond.

* * *

EXTERNAL AFFAIRS

VIET NAM—AUTHORITY OF CANADIAN COMMANDER TO WITHDRAW SUPERVISORY PERSONNEL IN EVENT OF HOSTILITIES

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question for the Minister of National Defence. I should like to ask him whether authority has been given to our commander in South Viet Nam to launch any withdrawal movement in the event of hostilities?

Hon. James Richardson (Minister of National Defence): As I said, Mr. Speaker, we are in daily contact. I think our commander would report to the chief of staff and to me before taking that action.

Mr. MacInnis (Cape Breton-East Richmond): I should like clarification of the minister's answer. In the event of an emergency, does the commander in South Viet Nam have the authority to launch the contingency plan for withdrawal?

Mr. Richardson: In the event that he could not make contact with the chief of staff he would have that authority.

VIET NAM—REQUEST THAT HOUSE HAVE OPPORTUNITY TO DECIDE ON CONTINUATION OF CANADIAN PERSONNEL ON SUPERVISORY COMMISSION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I address a supplementary question to the Secretary of State for External Affairs. In view of the fact that members in all parts of the House have not asked merely for a debate but that parliament should have the power to make the decision about Canadian forces being sent to Viet Nam and the length of time they will remain there, may I ask him if he is prepared now to give the House the opportunity to make that decision in the form of a definitive motion so that the House will have the right, which I think it ought to have, to decide how long Canadian forces will be kept in Viet Nam?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as I said in reply to the question from the hon. member for York South, this is just a tentative decision. We have not really made a final decision on this question, and it seemed to me that at the time a final decision is made the House should then be faced with a resolution requiring the approval of the House. But this is a tentative decision, and I am quite prepared to say I will introduce a resolution before May 31 for the purpose of getting the approval of the House for the government's action.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Besides the hon. member for Nanaimo-Cowichan-The Islands, there are three other hon. members seeking supplementary questions. We will have to try to go to other subjects and return to these supplementary questions in due course. I do not think hon. members would want to spend the full question period on the one subject, which would make it more a debate than a series of questions and answers. For the moment, the hon. member for Nanaimo-Cowichan-The Islands will be recognized for one supplementary question, and in due course we will return to the hon. member for Egmont and others who have supplementary questions.

Mr. Douglas: Despite the fact that the Secretary of State for External Affairs says that this is a tentative decision, the fact is that this is a decision to commit Canadian forces for 90 more days in Viet Nam. Surely, parliament ought to have the right to make that decision, and I am asking the minister—

Mr. Diefenbaker: The government does not trust parliament.

Mr. Speaker: Order, please. The hon. member should ask the question. He is now making an argument, and I suggest that if we get involved in this there will be debate rather than questions and answers.

Mr. Douglas: I am therefore asking the Secretary of State for External Affairs whether he is telling the House that he does not think the parliament of Canada has any right to make the final decision on whether or not the government has the confidence of the House to make a decision committing Canadian forces, Canadian lives and the Canadian treasury in an area that could be potentially dangerous.

Some hon. Members: Hear, hear!

Mr. Sharp: Quite clearly, Mr. Speaker, the government can only act with the confidence of the House.

Some hon. Members: Oh, oh!

Mr. Sharp: Of course, this is the position in which we all stand on this side of the House. The House can at any time defeat the government. But I am very anxious that there should be ample opportunity to debate the decisions that have been made by the government. I have provided a number of occasions for these debates. On the other side of the House I have yet to hear what the views are. I have been asking the Official Opposition to express its views and I have yet to hear them.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

COMMUNICATIONS

INCREASES IN TELECOMMUNICATION RATES—GOVERNMENT POSITION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Minister of Transport. It arises out of the approval by the Canadian Transport Commission of increased rates for telecommunication services. In light of the commitment of the Minister of Finance in his budget address to try to achieve reasonable price increases this year, I should like to ask the minister if the government is asking the Canadian Transport Commission to review immediately its decision to allow CN and CP Telecommunications to increase rates for private wire, telex and broadband exchange services, since the increases vary from more than 6 per cent to 50 per cent on various charges and services?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, even if the Canadian Transport Commission comes under my portfolio, telecommunication services are under the Department of Communications.

Some hon. Members: Oh, oh!

Mr. Mazankowski: I have a supplementary question for the right hon. Prime Minister. I should like to ask him if he considers a 12.5 per cent increase in charges for private wire equipment and a 50 per cent increase in charges for relocation of equipment as falling within the government's concept of reasonable price increases and, if not, could he advise the House what the government intends to do about it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have not considered the question.

Mr. Mazankowski: Could I ask the Prime Minister whether the government has defined any guidelines on reasonable price increases, at least in those areas that are under the direct authority of the federal government?

Mr. Trudeau: As the Minister of Transport just indicated, there is a public board to look into and decide on these matters.

Mr. Diefenbaker: The cabinet also has responsibility.

Oral Questions

WELFARE

LIVING CONDITIONS OF SENIOR CITIZENS AT MAISON DE REPOS—DISCUSSION WITH QUEBEC MINISTER AS TO POSSIBLE ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of reports on television and in the press of the intolerable conditions under which a number of incapacitated older people are living at the Maison de Repos in Laval, and in view of the minister's concern over the welfare of these people since they are old age pension recipients, may I ask the minister if he is discussing this matter with his counterpart in the province of Quebec in the hope that this and other such situations might be cleared up?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will meet my colleagues from Quebec next weekend and I shall take that opportunity to let him know about the view expressed by the hon. member for Winnipeg North Centre.

* * *

[*English*]

FLOODS

DAMAGE ON GREAT LAKES—ALLEGED DELAY IN PROVISION OF FINANCIAL ASSISTANCE—REQUEST FOR CONSULTATION WITH PROVINCES ON REGULATIONS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct my question to the Minister of the Environment. Would he indicate what new proposals he has initiated with his counterparts in the provincial governments to cut through what appears to be departmental and jurisdictional red tape that has prevented allocated funds from reaching the local reconstruction level almost four months and two additional disasters since the first chaotic storm and high water damage on the Great Lakes?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I will make inquiries. I am not quite sure what program the hon. member has in mind.

Mr. Danforth: When the minister is making his inquiries, will he also initiate with his provincial counterparts a review of the present regulations to seek a means of providing financial aid, at least to some degree, to home owners along the shores and dikes who apparently do not qualify under the present provisions?

Mr. Davis: The provisions are laid down by the province. The province deals directly with the property owners and the federal government backs up the province in this respect.

• (1510)

Mr. W. B. Nesbitt (Oxford): As a supplementary question, Mr. Speaker, will the minister attempt to ensure that whatever joint funds are agreed upon will be evenly distributed so that all residents of areas adjacent to Lakes St. Clair, Erie and Ontario who have suffered damage, and will continue to suffer damage, are compensated adequately and on an equal basis, rather than compensation being offered only to those residents at the western end of Lake Erie as is presently the situation?

Mr. Davis: Mr. Speaker, the understanding we have with the provincial authorities is that the compensation will apply to property owners, and in all areas, throughout the calendar year.

Mr. Speaker: Order, please. I would hope hon. members would make an effort to limit the number of supplementaries. The hon. member for Oxford has another supplementary. He will be recognized, and then I will have to go to another subject. If there are too many supplementaries, this makes the question period impossible to manage.

DAMAGE ON GREAT LAKES—PROVISION OF SANDBAGS

Mr. W. B. Nesbitt (Oxford): Will the minster, as chairman of the cabinet committee dealing with the present emergency on the Great Lakes, make sure that at least sandbags are available should a second emergency situation occur, as is very likely? Apparently in the situation the weekend before last no sandbags were available for emergency diking purposes.

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, measures of this kind have been discussed with the province and with the Department of National Defence.

DAMAGE ON GREAT LAKES—SUGGESTED APPEARANCE OF INTERNATIONAL JOINT COMMISSION BEFORE COMMITTEE TO INDICATE ACTION TO LOWER LAKE LEVELS

Mr. R. E. McKinley (Huron): Mr. Speaker, I wish to direct a supplementary to the Minister of the Environment. Because of the seriousness of the situation, would the minister see if it is possible to have some members or officials of the IJC appear before a committee of the House so that concerned members can find out what action is being taken or what action it might be possible to take to lower the lake levels?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, estimates of my department relating to protective works and to Great Lakes levels will be before the appropriate committee of the House in a few weeks time.

* * *

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Prime Minister.

Can he tell us whether the Liberal caucus or the cabinet have decided to withdraw or reduce the estimates of the CBC?

Mr. Speaker: The question is obviously out of order.

INDUSTRY

STE-THÉRÈSE—MEASURES TO AVOID LAY-OFFS AT GENERAL MOTORS

Mr. Francis Fox (Argenteuil-Deux-Montagnes): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Could he tell the House whether he is aware of reports that General Motors has definitely dismissed a great number of workers at the Sainte-Thérèse plant while increasing the production of Vega at its Lordstown plant in Ohio?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I thank the hon. member for asking that question.

General Motors has told the department that there has been no transfer of its production from Sainte-Thérèse to Lordstown, Ohio.

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

Would the minister consider the possibility of communicating with the company in that connection, so as to endeavour to improve the employment situation at the Sainte-Thérèse plant?

Mr. Breau: I shall bring that matter to the minister's attention, Mr. Speaker.

* * *

[*English*]

CONSUMER AFFAIRS

ALLEGED FAILURE OF MERCHANTS TO PASS ALONG TAX CUTS TO CONSUMERS—INQUIRY AS TO MONITORING MECHANISM

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the very clear undertaking given by the Minister of Finance to the House that a monitoring system would be set up by the government to make sure that the tax cuts contained in his budget would be passed along to the consumer, and in view of the publication today in Ontario of a directive by a major chain of convenience stores ordering its management not to pass along those cuts to consumers, at least in respect of chocolate Easter eggs, could the minister tell the House what his department or what the government is doing about this revelation today in the Toronto *Star*?

An hon. Member: He is going to lay another egg.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would be happy to help the hon. member lay another egg, as one of his colleagues suggests, but in any event I shall try to get further information about this and report to the hon. member.

Mr. Lawrence: I wonder if the minister could tell us what monitoring machinery or apparatus actually exists in his department to monitor these tax cuts?

Mr. Gray: Mr. Speaker, we are putting a mechanism in place to gather further information about the results of the budget tax cuts, and I would be happy to give the hon. member further information about this in due course.

* * *

EXTERNAL AFFAIRS

VIET NAM—POSSIBLE WITHDRAWAL OF CANADIAN SUPERVISORY PERSONNEL IF BOMBING RESUMED—PROSPECTS FOR PEACE

Mr. Doug Rowland (Selkirk): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs. In relation to his statement today I would like to ask him whether one of the conditions for Canada's immediate withdrawal from Viet Nam would be a resumption of bombing by the United States?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, probably I would have to add a word of caution in advance that we would want to look at the circumstances, but I could not imagine any circumstances under which there would be a resumption of bombing by the United States that would not result in the immediate withdrawal of our force.

Mr. Rowland: Mr. Speaker, I wish to attempt to elicit a more complete definition of what the minister would consider a substantial improvement in the situation, or a substantial improvement in the prospects for peace. Perhaps I could just put the question to him in those general terms. What specific conditions would he consider to constitute a substantial improvement in the prospects for peace?

Mr. Sharp: Mr. Speaker, my hon. friend can probably answer the first part of the question himself. These would be better prospects for the operation of the International Control Commission itself, a more co-operative attitude on the part of members of the commission, and more access to the various parts of South Viet Nam than it is now enjoying. These would represent a substantial improvement in the situation. As to the prospects for peace, they would be signs that the discussions that have now opened in Paris seem to be resulting in a greater spirit of reconciliation and concord than now exists.

[*Translation*]

VIET NAM—POSITION OF GOVERNMENT ON RESOLUTION ON ORDER PAPER CONCERNING PEACE AGREEMENT AND SUPERVISORY COMMISSION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the hon. Secretary of State for External Affairs.

[*English*]

In view of the open invitation the Secretary of State for External Affairs issued to the House a few moments ago, and in view of his wish to seek the advice and confidence of parliament, will he tell the House if he wishes to bring to a vote his own resolution of February 1, 1973, which

appears on the order paper as item No. 18 and which seems to haunt the government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the resolution that I brought before the House welcomed the peace agreement, and I am sure that would have commanded the full support of the House. I am equally sure that anybody who has read and examined the amendments that were proposed would agree that they are unworkable and most dangerous. Therefore, I would hope that the House would not proceed, in the interests of the hon. member's own party, to approve them because they are quite unworkable and might result in great harm to Canadians in Viet Nam.

VIET NAM—POSSIBLE RELEASE OF LLOYD OPPEL

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I see that we have returned to this round of questions and I, too, would like to address a question to the Secretary of State for External Affairs. Could he make any comment now on the news reports that are circulating to the effect that the Canadian, Lloyd Oppel, is likely to be released before the end of this week?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am very happy to report that Mr. Lloyd Oppel is likely to be released today.

Mr. Speaker: Order. The hon. member may ask a supplementary, and then the hon. member for Egmont. After that I will again try to move to another subject.

VIET NAM—REQUEST FOR STATEMENT OF CRITERIA FOR CANADA'S CONTINUED PARTICIPATION IN SUPERVISORY COMMISSION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I wish to direct a second question of a more general nature to the Secretary of State for External Affairs. Given the multiplicity of the problems revealed in the minister's various statements to the House and in committee, will the minister give an undertaking that during the next 60 days the government will be developing and making public its criteria for Canada's participation as a truce observer, such as greater collaboration with the commission, as well as clear evidence in detail that the parties are really serious in their intent to live up to the commitments that they made to one another in Paris, so that toward the end of May a critical and objective measurement and assessment of the situation can be made?

Mr. Speaker: Order, please. I have to take exception on a procedural basis to this kind of question. This is really not a question but a statement submitted to the House in the form of a question, and is not in order. The minister may comment on the member's statement if he can do so briefly.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the hon. member knows, since he is a member of the committee, I have appeared twice before it. I have laid down these conditions very clearly. I have tried to keep the House, and members of the committee at least, very well informed. My hon. friend from the NDP who was with me added to the information. I regret that my hon. friend was not with me, or some member of his party, so that they might have added to the information, too, but I do not think we can be faulted for having withheld information.

• (1520)

Mr. Speaker: The hon. member for Egmont wishes to ask a supplementary on this subject, after which we will move on the next subject.

SOUTH VIET NAM—ROLE OF SUPERVISORY COMMISSION WITH REGARD TO POLITICAL PRISONERS AND POSSIBLE ELECTIONS

Mr. David MacDonald (Egmont): I have a supplementary question for the Secretary of State for External Affairs. In view of the particular emphasis the minister placed this afternoon on the importance of achieving some kind of political solution in South Viet Nam and the present difficulties that exist with regard to the very large number of political prisoners in that area, could the minister outline briefly whether our representatives on the ICCS will take any special initiative to see that many of these political prisoners are able to participate freely in such an election process? In view of the frustration and failure of the Red Cross to be effective in this area, will the minister be encouraging the return of the Canadian Red Cross to take a hand in that important function?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, so far there has not been notable co-operation between the Provisional Revolutionary Government and the Republic of Viet Nam Government which would be necessary to the conduct of the work of the ICCS with respect to civilian prisoners. It is laid down in the agreement that there must be some co-operation between them. So far this is one of the main things that is lacking and will become even more important in the next few weeks when the United States and the Democratic Republic of Viet Nam leave the joint military commission. We shall be doing everything we can within the limited powers of the ICCS. As I said in my statement, we will be prepared to return, if necessary, to supervise elections under the agreement which would involve some of the questions raised by my hon. friend.

* * *

HEALTH

ALLEGED SHORTAGE OF RADIOTHERAPISTS—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, my question is for the Minister of National Health and Welfare. Is the minister aware of the acute shortage of physicians in some of the specialties, particularly radiotherapists whose specialty is treating cancer, which shortage may cause serious delays in treatment, and can the minister assure the House that this grave shortage will be corrected?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this is, first of all, obviously a matter of provincial responsibility. There are shortages in various specialities. My provincial colleagues have discussed this matter already with several of my colleagues, but a solution to the problem will take time.

* * *

LABOUR RELATIONS

DISPUTE BETWEEN RAILWAYS AND NON-OPERATING UNIONS—AMOUNT OF INCREASE GRANTED TO MANAGEMENT PERSONNEL

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a question to the Minister of Transport. He may not yet be aware of the situation and may wish to take the question as notice. In view of the fact the railways offered a 5 per cent and 5 per cent increase during their negotiations with the non-operating railway unions, then broke off discussions and are now in the process of going to conciliation while in the last few days the railways have authorized an increase of 7 per cent to management personnel, would the minister inquire if this is correct? If so, what is the dollar and percentage amount that the railways have given to management personnel in view of the fact that this action would constitute bad faith in bargaining?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as the hon. gentleman knows, I do not like to take questions as notice so I shall answer right away. I am aware of this of course. I have followed the negotiations between the railways and the railway unions. They are now before a conciliation board, or eventually will be before a conciliation board. You know that with management it goes fast, that the board of directors decides what level of salaries management personnel are going to get, but in the field of labour they have to follow the law and under the law they have to go to the board of conciliation.

* * *

[*Translation*]

COMMUNICATIONS

BELL CANADA RATE INCREASE APPLICATION—REQUEST FOR STATEMENT BY MINISTER

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

As Bell Canada produces dividends and its branches make profits, and the company is requesting an increase in rates, does the minister intend to make a statement in the House concerning the planned increase in the rates of Bell Canada?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, first I thought it was Air Canada the hon. member was referring to, but if Bell Canada is the subject, I believe I shall make the same reply as I did to the hon. member for Vegreville. As far as rates are concerned, Bell Canada must abide by decisions of the Canadian Transport Commission, which reports to the Minister of Communications and not to the Minister of Transport.

* * *

[*English*]

INFORMATION CANADA

DELAY IN TABLING ANNUAL REPORT—POSSIBLE DISBANDMENT OF AGENCY

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is to the Minister of Labour. As the purpose of Information Canada is to provide information for the public speedily, could the Minister inform the House why that agency's annual report to parliament is one year late?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, I will.

An hon. Member: This year or next?

Mr. Beattie (Hamilton Mountain): I have a supplementary for the Prime Minister, Mr. Speaker. Now that the House has shown its displeasure with Information Canada and in view of the determination of the Minister of Finance to reduce government expenditures on redundant services, will the government now listen to parliament and make preparations to disband the agency?

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Davenport.

Mr. Trudeau: Mr. Speaker—

Mr. Speaker: Is the right hon. Prime Minister rising on a point of order or question of privilege? I did not think that the question asked in those terms was in order and that is why I went immediately to the hon. member for Davenport. The hon. member for Davenport.

Mr. Nielsen: On a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Yukon is rising on a point of order.

Mr. Nielsen: With great respect, Mr. Speaker, surely members are entitled to know what the government's intentions are with respect to policy. The hon. member simply asked whether it is government policy to disband Information Canada.

Mr. Speaker: The hon. member argues that the question is asked correctly from a procedural standpoint. The Chair thinks it is not. Hon. members can ask any questions they want, provided they do so within the well accepted practice. A question asked in those terms, according to my understanding of the rules—and I say this very humbly—is clearly out of order. The hon. member for Davenport.

Oral Questions

CANADIAN BROADCASTING CORPORATION

POSSIBILITY OF ACQUIRING RIGHTS TO BROADCAST WORLD SOCCER GAMES

Mr. Chas L. Caccia (Davenport): Mr. Speaker, this is a question on a more mundane subject directed to the Secretary of State. In recognition of the keen interest in soccer by people throughout Canada will the minister urge the CBC to make a serious bid to acquire the broadcasting rights for the world soccer games scheduled for next year?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, on that very important subject I can assure the hon. member that the CBC intends to do just that.

* * *

CONSUMER AFFAIRS

PACKAGING AND LABELLING—DATE OF PROCLAMATION OF REGULATIONS—AVAILABILITY OF DRAFT REGULATIONS TO FOOD PRICES COMMITTEE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the fact that the Committee on Trends in Food Prices has today started drafting its report to parliament, which has to be presented before the end of the month, and in view of the fact that the Packaging and Labelling Act was passed by the House some two years ago, would the minister now tell the House when the regulations with regard to the Packaging and Labelling Act will be proclaimed? More particularly, will the minister make these regulations or draft regulations available to the Committee on Trends in Food Prices in order to assist it in preparing its first report?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, with reference to the second part of the hon. member's question, I would be happy to discuss the matter of the feasibility of this with members of the committee. With respect to the first part of the question, I expect that the draft regulations will be published in the Canada Gazette within the next few months.

An hon. Member: Good grief!

* * *

FLOODS

LAKES ERIE AND ONTARIO—POSSIBLE USE OF ARMED FORCES PERSONNEL TO PROTECT PROPERTY

Mr. Don Blenkarn (Peel South): Mr. Speaker, my question is supplementary to the Minister of National Defence. Is the minister prepared to send members of the armed forces to constituencies and municipalities along Lake Ontario and Lake Erie and use the department's equipment and men to protect public and private property in the flooding conditions that are presently taking place?

Mr. Bell: Yes, if they are Liberal.

[Mr. Speaker.]

Hon. James Richardson (Minister of National Defence): The answer, Mr. Speaker, is yes, but I have also said to the House on previous occasions that this is under the co-ordination of my colleague, the Minister of the Environment, and also that we act at the request of the provinces. We are in very close communication with the Emergency Measures Organization of the province of Ontario and are ready to be of any assistance that they request.

* * *

TRADE

POSSIBLE PRESSURE ON UNITED STATES SUBSIDIARIES IN CANADA TO INHIBIT EXPORTS—REQUEST FOR INVESTIGATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce, perhaps I could direct my question to the Prime Minister. With the export of Canadian end products declining on a constant dollar basis to countries of the world other than the United States, and in view of the claim by a representative of the Canadian Manufacturers' Association that many Canadian exporters that are United States subsidiaries have been constrained by their parents to sell only through an American export concern, would the minister conduct an inquiry into such falling exports and find out if, in fact, branch plants in Canada are being inhibited from pursuing export opportunities?

• (1530)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as acting minister, in the absence of the Minister of Industry, Trade and Commerce who is away on government business I will be glad to take notice of the question and bring the hon. member's representation to his attention.

* * *

EXTERNAL AFFAIRS

VIET NAM—POSSIBILITY OF INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION DISCHARGING ITS RESPONSIBILITIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask the Secretary of State for External Affairs whether it is his position that the ICCS has a reasonable chance of being able to discharge its original responsibility, that of effectively supervising the ceasefire?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I do not think I need to add anything to what I said in my statement.

Mr. Stanfield: You do. That point was not clear.

Mr. Sharp: I have been pessimistic about the ICCS for quite some time and have expressed serious misgivings, as would anyone who had gone there to see for himself.

HEALTH

ABORTIONS—INQUIRY AS TO JUSTICE DEPARTMENT INVESTIGATION OF FACILITIES AVAILABLE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Justice. Some time ago it was reported in the Ottawa newspapers that officials in his department had been concerned about the number of abortions that were taking place in this country and that was to be looked into. I want to ask the minister whether he is also having his officials investigate the number of hospitals in this country which have refused to set up abortion committees and the number of areas in which there are no abortion facilities available for Canadian women?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker. That would not come within the responsibilities of the Minister of Justice.

* * *

AGRICULTURE

CROP INSURANCE—DATE OF INTRODUCTION OF AMENDING LEGISLATION

Mr. William C. Frank (Middlesex): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. Due to the urgent need for crop insurance agents in the various provinces to write up crop insurance for this present season, when does the minister propose to introduce for second reading the crop insurance amendment bill providing for the payment of 50 per cent of the farmer's premium by the federal government?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, what the hon. member says is true. Quite a few of the provincial ministers have made representations. I have had some consultations with the government House leader and he may be able to throw a little more light on when the bill may be brought before the House than I can, Mr. Speaker.

* * *

POWER

CHURCHILL RIVER DIVERSION—REQUEST FOR STOPPAGE OF WORK UNTIL LICENCE ISSUED UNDER NAVIGABLE WATERS PROTECTION ACT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Transport. As promised by the hon. gentleman on March 8, is he now in a position to report on the status of the licence application by the province of Manitoba for regulating South Indian Lake and the similar application for regulating Lake Winnipeg?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, unfortunately I have not received the report. I will check my desk and perhaps find it there. The hon. member must excuse me, but I will give the answer tomorrow.

Mr. Dinsdale: A supplementary question, Mr. Speaker. Can the hon. gentleman assure the House that he will take the necessary steps to prevent further action on these projects before a licence is issued?

Mr. Marchand (Langelier): Mr. Speaker, I think I will answer that question at the same time as I answer the first question.

* * *

PUBLIC SERVICE

DATE OF INTRODUCTION OF LEGISLATION AMENDING VARIOUS STATUTES GOVERNING EMPLOYEES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. In view of the difficulties and importance attached by public servants to the introduction of amendments to various statutes, as promised in the Speech from the Throne, has the minister, in view of this interest, had an opportunity to consult with the House leader and can he tell the House when these amendments might be brought forward to be considered by this House?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I have discussed this with the House leader and the response I have is, soon.

* * *

[*Translation*]

INDIAN AFFAIRS

ALLEGED DETENTION OF TWO ESKIMOS IN PREVILLE HOSPITAL—REQUEST FOR INVESTIGATION

Mr. John Harney (Scarborough West): Mr. Speaker, as a week has passed since the hon. Minister of Indian Affairs and Northern Development told me he would answer my question the next day, could I ask him today, once again, if he has asked the officers of his department to ascertain the situation of the Eskimos at the Preville Hospital in Brossard?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, on two occasions last week I tried to rise and answer the question, but unfortunately I could not get the floor.

I am happy to answer today. A nurse went with an interpreter to the Preville Hospital. The two Eskimo patients who are there are well treated and the report is that the situation should not be changed. However, we will follow all possible developments and if the patients are not comfortable there, they will be moved to another hospital.

[*English*]

Mr. Speaker: The Chair will call on the hon. member for Mackenzie, and then call Orders of the Day.

War Veterans Allowance Act

MULTICULTURALISM

POSSIBILITY OF RADIO AND TELEVISION PROGRAMS IN THE ESKIMO AND CREE LANGUAGES

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question involves three departments, that of the Minister of Communications, of the minister responsible for multiculturalism and of the minister who answers for the CBC. Out of that troika, I will direct my question to the minister who answers for the CBC. Since Anik I now makes it possible to broadcast to outlying areas of Canada, will telecasting and broadcasting be carried out in the Eskimo and Cree languages in order that the greatest number of Canadians may benefit from this service?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, that is not possible at this point, but I think the hon. member will share the view that this is a desirable goal. When, exactly, it will be achieved I am not in a position to answer.

POSSIBILITY OF LEGISLATION TO AUTHORIZE PILOT PROJECTS TO DETERMINE NEED FOR BROADCASTS IN OTHER THAN OFFICIAL LANGUAGES

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, may I direct a supplementary to the minister who answers for multiculturalism. In line with the suggestion made by the Ukranian Canadian committee, which restated the B & B Commission suggestion that pilot projects be undertaken to determine the need for broadcasting in other languages in certain regions, will the minister take the initiative and introduce legislation, in co-operation with the two other ministers, in order to bring this about and in order to implement some of the proposals set out in the green paper on communications?

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, I will be pleased to discuss this with the ministers responsible for the CBC and CRTC.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

WAR VETERANS ALLOWANCE ACT

AMENDMENT TO INCREASE AMOUNT OF PAYMENT

Hon. Daniel J. MacDonald (Minister of Veterans Affairs) moved that Bill C-148, to amend the War Veterans Allowance Act, as reported (without amendment) from the Standing Committee on Veterans Affairs, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the said bill be read the third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

[Mr. Speaker.]

Mr. MacDonald (Cardigan) moved that the bill be read the third time and do pass.

He said: Mr. Speaker, it is with a mixture of gratitude and pride that I rise to speak at this time. I am grateful for the opportunity I have had to play a part in improving the lot of over 250,000 Canadian men, women and children who are our special responsibility. I am grateful for the co-operation and sincere desire to expedite the passage of this bill which has been demonstrated by all parties in this House. I am grateful to the men and women who served Canada in time of war in order that our democratic institutions could continue.

I am proud of our system of government and the way in which hon. members have acted, both in the House and in Committee, to ensure that no time is lost in bringing about the improvement provided for in Bill C-148. It is apparent from the actions of members of all parties that there is agreement that this is a good bill.

The remarks made by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) were especially appreciated, as were those of the hon. member for Winnipeg North Centre (Mr. Knowles). They indicated very clearly that members of all parties are agreed that we should move quickly to pass this amending legislation.

This bill is unique in that, in addition to proposing increases in rates and ceilings, it provides for the removal of the personal property limitations which at present stand at $1,250 single and $2,500 married. This measure will not only qualify some who are now ineligible, but it will also give present recipients of War Veterans Allowance or Civilian War Allowances a greater sense of freedom and dignity.

• (1540)

The proposed rates are $151.14 single and $257.21 married. The new monthly income ceilings will be $191.14 single and $327.21 married, which provide annual income ceilings of $2,293.68 single and $3,926.52 married. The rates for orphans will also be increased proportionately. In addition the OAS/GIS exemptions of $15 single and $30 married will be continued so that those recipients 65 and over will have an annual income from OAS/GIS and War Veterans Allowance or Civilian War Allowances of $2,473.68 single and $4,286.52 married.

These new rates and ceilings will result in a financial improvement since December 31, 1971 of 24.8 per cent single, 27.8 per cent married, and over 24 per cent for orphans. When we consider the exemptions for both husband and wife who are over 65, the increase since December 31, 1971 is 32 per cent.

These increases, together with the amendments to the regulations concerning casual earnings, which are now $1,000 single and $1,500 married, the removal of the penalty for having a home valued at over $10,000 and the provision for the automatic escalation of the rates and ceilings on the first of January of each year in accordance with the rise in the consumer price index, represent in all a genuine effort to improve the standard of living of this very worthy group of Canadians.

I would like to make it clear that the remarks and suggestions make by some hon. members in the House

and in the Veterans Affairs committee concerning other improvements which might be made in the War Veterans Allowance Act have not fallen on deaf ears. These and other matters are receiving our careful study and attention.

There have been many statements made in recent days in this House concerning the men and women who served Canada in her time of need. I do not think I can add anything to that which has already been said, except that I believe this bill is another step forward in honouring the pledge made by the then Prime Minister of Canada when he spoke to the Canadian troops on the eve of their historic attack on Vimy Ridge in April 1917. The then Prime Minister said:

> The government and the country will consider it their first duty to see that a proper appreciation of your effort and of your courage is brought to the notice of the people at home and it will always be our endeavour to so guide the attitude of public opinion that the country will support the government to prove to the returned men its just and due appreciation of the inestimable value of the services rendered to the country and empire and that no man, whether he goes back or whether he remains in Flanders, will have just cause to reproach the government for having broken faith with the men who won and the men who died.

Actions speak louder than words. Bill C-148 is indicative of this government's intention to live up to that promise made over 50 years ago on behalf of all Canadians.

Some hon. Members: Hear, hear!

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in view of the type of comment being bandied back and forth in this House, I hope hon. members will not become too suspicious of the Minister of Veterans Affairs (Mr. MacDonald), the hon. member for Winnipeg North Centre (Mr. Knowles) and me. However, it is the result of co-operation and the realization of the job for which we are responsible. I hope hon. members appreciate the fact that one part of our umbrella of legislation is dealt with in a co-operative and statesman-like manner. I think that most comments were made on Bill C-148, to amend the War Veterans Allowance Act, during the second reading. We want to get this bill through all stages. There is agreement among all parties that we will get it through with the least possible delay.

The minister indicated that the representations we have made will not fall on deaf ears. Therefore, I want to repeat that there are three amendments I would have liked to see. I believe they are necessary to finally resolve the fate of our veterans who qualify for the benefits under this section of the Pension act. Although the amendments under Bill C-148 are most acceptable to my party, as well as to all veterans organizations across this country, the government could very easily have included these other amendments. The three issues of concern to veterans and to which no reference is made in the bill are as follows.

The first would be the removal of the Canadian residence requirement for applicants abroad. This would involve amending Section 3(1) of the War Veterans Allowance Act. Under this section, it is possible for a veteran to qualify for an allowance by returning to Canada and remaining for one year. The benefit is subsequently continued, even though the recipient may take up permanent residence outside the country. This 365 day residence requirement may not cause undue difficulty to veterans residing in the border areas of the United States, but such a procedure is more difficult for veterans residing in far off countries such as the United Kingdom or in Europe.

The benefits became payable out of Canada through an amendment to the act in 1960. This permits continuing payment of the allowance outside Canada, primarily for the benefit of the recipient desirous of leaving Canada for reasons of health or family ties. As of January 31, 1973, there were only 709 persons outside of Canada who were receiving allowances. An amendment to the legislation removing the 12 month residence qualifications would extend the benefit of the allowance to Canadian veterans who are unable to return here in order to qualify. The Department of Veterans Affairs has adequate facilities to administer payments to veterans in the United Kingdom and in western Europe. The removal of the personal and property ceilings under the amendments before us today will further ease these administrative burdens. I again ask the minister, and I know he agrees because he expressed this view at the committee stage of the bill, that every effort be extended to further amend the act to satisfy these veterans.

The second would be an addition to provide for the recognition of a child over 21 years under Section 12(2). This would enable a surviving spouse to receive an allowance for the dependent child attending a recognized educational institution, even though that child may have reached his or her 21st birthday. As I stated on second reading, this allowance should be payable to age 25 or until the child ceases to attend an institute. The Children of War Dead (Education Assistance) Act provides, through recent amendments, for benefits to continue beyond a child's 21st birthday. The number in this instance would be small. I know the minister feels as I do, that this amendment would provide a good amount of relief to the surviving spouse, in view of the continuing high costs, and to the child to maintain his education, particularly with the high unemployment rate in this age category in the country today.

The third amendment which should be treated with the highest priority is that having to do with service in the United Kingdom in World War I. In spite of efforts by veterans organizations over the years to have the 365 day requirement eliminated and to have the service in the United Kingdom before November 12, 1918 accepted as a qualifying service, for some reason or other no consideration has been given to this suggestion. I note that some years ago the former member for Swift Current-Maple Creek, I think it was, introduced a private member's bill proposing this amendment, but as a result of the passive attention paid to private member's bills in this House, his efforts did not get far. I can only repeat that such a change would not affect many of our veterans, since so many of them are in their late seventies and in receipt of old age security benefits. So, the cost would be small. It would, however, bring them a degree of additional comfort by providing drugs and medical appliances not presently available to them.

• (1550)

Action along these lines would also show recognition for veterans who offered to serve anywhere for their country

but who, through no fault of their own, did not do so. The veterans organizations appealed to our committee to consider these amendments. Probably, as I said earlier, I am remiss in not introducing them here today as a means of overcoming inequities in the present bill. However, bearing in mind the interest shown by all parties in speeding the progress of this bill to grant increases in war veterans allowances and in particular to clear up the property clause which has created hardships for so many veterans and their dependants, I shall not do so. It is possible I am a little naïve, but I feel the minister is sincere in his statement that the matter is being studied with a view to implementing these amendments at a later date.

The government House leader has indicated in the past two weeks that he would bring on third reading if agreement could be reached, in co-operation with all parties, to pass the measure quickly. On behalf of my party, Mr. Speaker, and with the agreement of the two other opposition parties, may I say we are prepared to put up only one speaker each. As an indication of the co-operation already shown between all parties, may I remind hon. members that the committee stage of the bill took less than one hour. This probably constitutes something of a record—I think this was confirmed by the hon. member for Winnipeg North Centre (Mr. Knowles), whose word must be accepted in this regard.

Mr. Speaker, if we are truly to fulfil our responsibility to the disadvantaged of our country, this is the time to show some human consideration to these citizens, our war veterans. Fifty years ago the government of the day told the veterans that the country owed them "a debt by right" to look after them in return for answering the call to defend Canada. This pledge was reaffirmed after World War II and again after Korea. Today, some fifty years later, we have yet to fulfil all our obligations and nobody on either side of this chamber can be proud that in the year 1973 we have yet to repay this debt completely. Unless we clean up the war Veterans Allowances Act, not only by passing the bill before us today but by implementing these changes I have proposed, the matter should ever rest on our conscience.

Finally, Mr. Speaker, there are other items in the overall Pension Act which hold as high a priority as the War Veterans Allowance Act. I refer to the recommendations in the Woods Committee report and, specifically, to the basic rate of pension. In 1968, the Woods Committee spoke of the need to establish a realistic basic rate of pension. Yet here we are, five years later, still waiting for the necessary legislation. I am aware of possible arguments that progress has been made during the years. Indeed, on behalf of my party, I complimented the government as well as the committee which studied the basic rates and produced most excellent recommendations. I can certainly say that since I came to Ottawa in 1968 excellent progress has been made. I say this from my experience as a member of the Veterans Affairs Committee.

All this makes me wonder about what has gone on since 1918. The minister himself has just arrived in Ottawa and I am sure he, too, must be wondering what has gone on in the last 50 years or so. I ask him to ensure that every effort is directed to producing legislation to implement the recommendations of the joint study report on the basic rate of pensions, increasing that rate to $4,529 a year for the single 100 per cent pensioner, with further increments for married pensioners and their dependants. I trust, too, the legislation will approve a formula for annual increases based on the increases in the average wage received by the five lower public service categories. Mr. Speaker, let me say on behalf of my party that we support Bill C-148 wholeheartedly. Let us continue to show that we who sit in the House of Commons can be human in our consideration for a most important part of our society, the deserving war veterans of Canada who are losing their faith in us because we have neglected them for too long.

[Mr. Marshall.]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I once again draw attention to the spirit of co-operation and goodwill which exists among all members of the Standing Committee on Veterans Affairs and our desire as members of that committee that this legislation receive its final endorsation in the House this afternoon? As a measure of the spirit of co-operation which obtains among us I can say on behalf of my good friend the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) that he and I are glad the House is in session today so that we can proceed with this bill and get its benefits established as quickly as possible.

As we have made clear at earlier stages, any criticism that we have of this bill does not relate to the things it contains but, rather, to the fact that some most useful measures have been omitted. The bill before us provides for an increase in the amount of the allowance payable under the War Veterans Allowance Act. The precise details have, of course, been put on the record. The increase is good. It is also good that the ceilings on permissible incomes have been raised, and raised to levels which spare us the experience of former years when we saw veterans being given an increase on the one hand only to have it taken away with the other. In this case, veterans, both single and married, will receive at the end of April a larger net increase than civilians in receipt of old age security and the guaranteed income supplement will receive. We welcome this. We are also pleased with the removal of the property qualifications which have been in the War Veterans Allowance Act since it began. As I said on another occasion, one thinks of the many veterans, and of the many veterans' widows, who have suffered over the decades because of the existence of those property qualifications. We are delighted that they are being removed.

As the previous speaker indicated, there are a few things we would still like to see corrected in the War Veterans Allowance Act. The words of the minister today that I liked most were his words when he said he would like to make it clear that suggestions concerning other improvements to the Act had not fallen on deaf ears. Our experience of the new minister, even in these few months, has proven to us that he does not have deaf ears. I hope he realizes he has strong support in any negotiations he may undertake with others in the cabinet, with the officials in his department or, particularly, with the President of the Treasury Board (Mr. Drury). We hope there will be further improvements in the act this session. I should like to make this point very strongly.

There is a tendency in normal parliaments to take it for granted that if a piece of legislation is improved in a session, that is all that can be expected for the session. Usually the most one can hope for is a further improvement in the next session or the next parliament. But this is not an ordinary parliament. There may be some of us around who will be saying: What have you done for us lately? Frankly, I hope that before this session ends the minister's commitment that there will be further study of the War Veterans Allowance Act will be carried out. I believe it can be said that our general plan in the committee is to keep the first item of the estimates open for a while so that we can discuss this matter again. Thus I hope that after the minister and his officials have studied possible changes in the War Veterans Allowance Act, the minister will come again before the committee to discuss those changes and see whether during the session he can bring in another bill amending the War Veterans Allowance Act.

• (1600)

The hon. member for Humber-St. George's-St. Barbe spelt out three areas that certainly require amendment. The first was the residence requirement, which in the main affects a number of Canadian veterans living in the United Kingdom as well as other countries; the second was the change with respect to the age to which children of veterans can be covered, and then there was the change respecting the requirement of 12 months' service in world war I, namely that service in the United Kingdom should count and that the 12 month period be relaxed.

In addition to those changes which should be made, I would press very strongly the point I made on second reading and also in the standing committee, namely that the anomalies with respect to the ceilings on permissible income be straightened out. The minister gave us the figures today, which of course are quite accurate. They show that the new ceiling on the permissible income of a single veteran is $191.14 a month and for a married veteran the new ceiling is $327.21 a month.

The minister also drew attention today to the fact that the extra $15 for a single veteran and $30 for a married veteran which old age and guaranteed income supplement recipients got in 1972 is still to be allowed outside of the permissible income, rather than raising the level. We now have the anomaly that for a single veteran under 65 the ceiling on his permissible income is $191.14, whereas for a single veteran over 65 it is $206.14. There is also an anomaly in the case of a married veteran. If both the veteran and his wife are under 65, the ceiling is $327.21. If one is over 65 the ceiling is $342.21, and if both are over 65 the ceiling is $357.21. It seems to me that this is an unsatisfactory situation and one that certainly ought to be cleared up. Frankly, I do not see why we should be asked to wait until next session or until there is another election. The minister has done a pretty good job of getting things moving, and I hope that we can move on this question during the course of this session.

As a matter of fact, I hope that another look at the means test under the War Veterans Allowance Act will be taken. Although I think we have come a long way in our concepts of pensions, allowances and benefits since the War Veterans Allowance Act was first established in 1930, I should still like to see us begin with the veterans when we explore the idea of a guaranteed annual income. The War Veterans Allowance Act might well be turned into such a piece of legislation for our veterans.

Since we are all anxious to get this legislation through as quickly as we can, the only other comment I want to make is that I hope we will soon see the bill to amend the Pension Act with regard to the basic rate of disability pension. As the minister knows, and as the hon. member for Humber-St. George's-St. Barbe indicated a moment ago, there is in the works that very interesting and useful report of the joint study group that the Standing Committee on Veterans Affairs endorsed unanimously and quickly, calling for a substantial increase in the basic rate of the disability pension. The report also calls for it to be escalated annually, in accordance not just with the cost of living increase but in accordance with the rise in the wage levels of the five selected categories in the federal public service.

I regard this report as monumental, not only with respect to the formula for arriving at what the basic rate should be, but particularly with respect to the formula for escalating pensions year by year. The Minister of Veterans Affairs will be establishing a first in social legislation in this parliament if he brings in a bill that has in it an escalation formula based on that principle of providing increases related to the rising standard of living. I invite him to aim at that goal of being the first minister to bring in this kind of escalation formula, and I know of no group that deserves better such a progressive approach to this problem than the veterans of this country.

We welcome this bill; we approve of everything that is in it. But that does not mean we are satisfied. By no means do we say that the job is done. There are the further improvements we have pointed out. They really must be made, and we should like to see them made at this session. We also want to see very soon the other bill which will provide for an increase in the basic rate under the Pension Act, and also the very progressive escalation formula which the standing committee has unanimously recommended.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, like the previous speakers, I should like to speed up the passing of this bill as much as possible. But since there are many veterans in my constituency, and since I myself have an elder brother who is a veteran, I consider it my duty to take part in the debate on this bill, for it concerns a class of people of whom our country is justly proud.

I congratulate the new minister on such a senior appointment; the Prime Minister (Mr. Trudeau) could not have made a better choice. The Minister of Veterans Affairs (Mr. MacDonald) is a very likeable, a most trustworthy man. He has the ability needed to take charge of this department and put through the amendments that veterans have been demanding. There can be no doubt that Bill C-148 was largely inspired by him.

This bill proposes important amendments to the War Veterans Allowance Act. I am glad to see that more recognition is to be given to the right of veterans and their families to enjoy a standard of living that reflects, as far as possible, the material wealth of our country. But for

the restraints in an outdated and inhuman financial system, it would certainly be possible to do more for them without anyone having to suffer for it.

We of the Social Credit Party uphold a principle that we believe must be the cornerstone of any society that is founded on a logical economic basis.

• (1610)

It is the principle of making financially possible all that is physically realizable.

People expect credit like children awaiting Santa Claus. We have the required people, machines and wealth to get our economy moving. Yet, because of the government's belief that credit is the basis of economic activities rather than man, machines and wealth, there is more than half a million unemployed in the country.

The unemployed are aware of the immense wealth of the country and they only want them to be available to everybody. They are justified in asking what the government is waiting for to utilize this wealth.

Mr. Speaker, this is what the Creditistes mean when they ask to make financially possible all that is physically realizable. We have the manpower, the tools and machines which are the basis of our economy. Credit now calls for the achievement of all physically feasible developments.

Let us get off the beaten path. Let us leave the rough and bumpy road of the present financial system which leads us from one economic crisis to another and prevents us from reaching a just society.

As far as veterans are concerned the social and economic security program of the Social Credit party is the ideal long-term solution. Of cousre, in the present circumstances and the present system we approve of the government granting increases to those who have suffered and fought for their country and that is why we support this bill.

However, I wish to remind hon. members of this House that the social and economic security program of the Social Credit party offers and interesting alternative to the numerous weaknesses of all existing social aid systems administered by the government.

We are proposing a guaranteed annual income to be paid to all Canadians—including veterans—of 18 and over, and without exception. Not 18 year old veterans because we know they are older than that.

First of all, any single man would receive $1,200 a year; if he is married, in addition to receiving benefits for both himself and his wife he would receive $250 a year for each child.

Tax exemptions would be set at $2,500 a year for a single man and $5,000 for a married couple, with an additional exemption of $500 for each child.

If a soldier who fought for his country returns disabled, he will receive an additional disability benefit of $200 a month if he is single and $350 if he is married.

It is evident that this system would do away with all the troubles and detours which are found in the present system. Everybody is entitled to social security benefits; it is a right of all individuals. Benefits would be distributed without any inquiry or intrusion into the personal lives of people.

[Mr. Lambert (Bellechasse).]

This is what we advocate for the future as a great improvement on the bill now before us.

If the government is not ready to offer anything better to those who fought for their country, we will feel compelled to support this legislation because we want our veterans to get as much as possible in return for the sacrifices they willingly made with great self-denial.

However, we want to remind the government that Bill C-148 is already obsolete and that the social and economic security program of the Social Credit Party is the solution that all Canadians have been anxiously expecting.

Our veterans are certainly still entitled to more gratitude from the whole population. Most of them gave the best years of their lives and sacrificed the benefits of family life. Others gave up their studies or a trade or profession that would have allowed them to earn a better living while remaining in their environment.

I for one, have always entertained a great deal of respect for those brave men who never feared to risk their lives for the defence of our liberties. We owe them a great deal of gratitude, and merely praying them by service is not enough, we must do something. And how could we better bear testimony to it than by improving the legislation of concern to them, allowing them to enjoy the security and the freedom for which they fought?

Last summer, accompanied by other hon. members, I had the pleasure of visiting the Normandy beaches where thousands of Canadian soldiers landed to liberate old France for the second time in half of century.

One has to visit the cemeteries where thousands of our Canadian brothers were laid to rest, having died on the field of honour, to understand the atrocities of war and the courage the Canadian soldiers have shown.

Going through those cemeteries and looking at the markings on the tombstones, it is with great emotion that we read the names of young Canadians whose ages vary from 19 to 25 years, who, nonetheless, also had the right to live.

Each year, the Remembrance Day ceremonies remind us that our generation has been through two world wars whose victims were many and whose consequences many families are still bearing.

Last fall, I attended the Remembrance Day ceremonies in Montmagny. They started with a religious service at which were present a great number of the Quebec area war veterans, some cadets of the Canadian army, as well as the Royal 22nd Regiment magnificent band, which had been authorized by the Minister of National Defence (Mr. Richardson) to come to Montmagny for the occasion. And I take this opportunity to thank the Minister of National Defence for that commendable gesture with which all the people were very much pleased.

Also in attendance at the ceremony were the wives, the widows and the children of war veterans as well as members of families of former soldiers killed in the war.

When wreaths were laid in memory of missing soldiers, the assistance saw with great emotion a soldier's sister

faint; this proves that the memory of these galant soldiers is still with us even after all those years.

This is why we should do more for stricken families. Canada can do more and I heartily support the suggestions just made by the hon. member for Winnipeg North Centre (M. Knowles) that nothing prevents the government from introducing, during this session, a new bill to raise the veterans' pensions or to amend the legislation so that our veterans and their families may live in increased security.

I think it is the duty of all hon. members to take into consideration more than once a year such questions which involve a great many people so that, progressively and as fast as possible, these pieces of legislation may be amended to the benefit of the veterans.

This is why I wanted to co-operate with the government and other hon. members participating in this debate. I will now conclude my remarks so that this law may be passed and that increased pensions be granted as fast as possible to our veterans.

Mr. Roch La Salle (Joliette): Mr. Speaker, I will only make a few comments about this legislation which is certainly a very important one. Like all hon. members, I am sure that no one will hesitate to support this bill designed to provide an increase in war veterans allowances.

Now do I have to add that we will never pay too much attention to this matter and that these increases are certainly not excessive when one considers the responsibilities faced by these veterans, the widows of those who died on the battlefield and their children who are suffering today some hardships because of the death of those soldiers.

I have heard some very interesting comments, made by several hon. members, in particular the hon. member for Bellechasse (Mr. Lambert), which I suggest, deserve the attention of the minister of Veterans Affairs (Mr. MacDonald). These comments could certainly help the minister to have a better view of the situation and to bring about some improvements which are necessary at present.

I would like to deal with a specific point, that is the Canadian Legion. In my riding as everywhere else, some groups of war veterans still like to meet regularly. However, these veterans need the necessary quarters and certain amounts of money so that they might enjoy the facilities which they need in order to meet together and be motivated. In view of their past and of their responsibilities, I suggest that it is the responsibility of the government, of the minister in charge in particular to see to it that these groups of Legion members enjoy the facilities which will enable their to meet and arrange for some entertainment, and perhaps also to enjoy better days.

I should like to ask the Minister of Veterans Affairs to consider the possibility of granting aid to legion members. There are a number of them in my constituency, and, as the hon. member for Bellechasse was saying, I always have the privilege and the pleasure to be invited to meet them and take part in Remembrance Day reunions. It was in this way that I became aware of the importance of demanding certain advantages that are not available to them today, so that they can afford to find places in which to meet.

These war veterans, with donations received from the outside and their own contributions make considerable efforts to provide for the upkeep of premises used for their meetings. I may add that those people have often told me about their difficulties, their intentions, their objectives, which are altogether justified.

Mr. Speaker, I wanted to take this opportunity to ask the Minister concerned to seriously consider the possibility of assisting veterans organizations in each and every Canadian riding. I make these very special representations on behalf of the legionnaires in my riding, since I know them well; I am also aware that they have long expected me to make such representations. Besides, they expect the Minister to say yes to the request I am making on their behalf. Considering all the comments which were made in connection with the bill now before us, which is very good, it does not mean that the government will be expected to sit back and do nothing for a certain number of years. On the contrary, I think that the changes taking place year after year require that the act be amended for the benefit of these people and I think that the government will be absolutely justified—and I think all the members do agree—in reconsidering this matter and in announcing in the near future the granting of special financial assistance to provide for the services which are required and for other benefits which are well deserved, since our veterans have fought to preserve our liberties.

I hope the minister will consider those few remarks which I make at the last minute, before the passing of the bill. And once again, I entirely approve this bill and hope that the recommendation I make concerning the benefits which could profit veterans will be greatly appreciated considering the extent to which they have deserved it well of our country.

[*English*]

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

Some hon. Members: Agreed.

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

* * *

OLD AGE SECURITY ACT

AMENDMENTS TO INCREASE BASIC PENSION AND TO CLARIFY BASE YEAR IN ESCALATION FORMULA

On the order:

Report stage of Bill C-147, an act to amend the Old Age Security Act, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs—The Minister of National Health and Welfare.

Mr. Reid: Mr. Speaker, I rise on a point of order. In looking at the notices of motions pursuant to Standing Order 75(5), report stage of government bills, I would like to bring to Your Honour's attention the fact that the five motions which have been put down appear to be out of order. The argument that I would make, and I will not

take too much time, is based on a study of Standing Order 62(1) and citation 244 (3) in Beauchesne's Fourth Edition, which reads as follows:

Amendments proposing, in a Money Resolution, to substitute a loan for a subsidy; to change the destination, purpose and conditions of a subsidy; attaching a condition to a subsidy; affecting the ends and provisions of a subsidy, must be moved by a Minister with the recommendation of the Crown.

Again, in citation 246(3) of Beauchesne the same point is made. While I can certainly understand the purposes for which the hon. members have put down these motions, I do believe that they go far beyond the royal recommendation and therefore cannot be received by the House at this time.

Mr. Peters: Mr. Speaker, I rise on the same point of order. I would like to ask whether the parliamentary secretary is referring to motion No. 1, or is he considering all five amendments? In looking over the amendments, I find that they do not all fit into the same category and therefore, his argument probably applies only to the first one. Is he prepared to extend the same argument to the other amendments? Perhaps he could clarify his position.

Mr. Reid: I will be glad to do so, Mr. Speaker. I think a careful reading of each of the five notices of motion would indicate that their effect would be to increase the amount of money which the Crown would have to expend on these particular programs. On that basis, an increase in the amount of money to be expended would violate the terms of the royal recommendation and, therefore, would not be receivable by the House. I am prepared to argue each one separately, if you wish, but it does seem to me that the same argument is applicable to all five of the notices of motions.

• (1630)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order. Does the hon. member for Lotbinière wish to discuss the point of order raised by the Parliamentary Secretary to the President of the Privy Council. (Mr. Reid)?

Mr. Fortin: Mr. Speaker, I wish to discuss notice of motion No. 1 under the name of the hon. member for Abitibi (Mr. Laprise) and which reads as follows:

That Bill C-147, An Act to amend the Old Age Security Act be amended by deleting the words "one hundred dollars" from Clause 1 at line 9 and substituting therefor the words "two hundred dollars".

Mr. Speaker, in the Standing Orders of the House of Commons governing us and that we wish to follow as closely as possible, although it may sometimes hinder us in our work as members of the House when we want to be effective and consistent with the desires of the people we represent, Standing Order 75 (5) reads as follows:

(5) If, not later than twenty-four hours prior to the consideration of a report stage, written notice is given of any motion to amend, delete, insert or restore any clause in a bill, it shall be printed on a notice paper.

Consequently, notice of motion No. 1 complies with the practice provided for Standing Order 75 (5) as it was given as required by the standing order. Therefore, the amendment can be declared receivable.

I will now refer to Standing Order 75(8) which is extremely important and which states the following:

When the Order of the Day for the consideration of a report stage is called,

—exactly as in the present situation—

—any amendment

—not only a few—

—of which notice has been given in accordance with section (5) of this order shall be open to debate and amendment.

Standing Order 75(8) is extremely important because it does not establish a category, as the hon. parliamentary secretary seemed to say, concerning money or other motions. It reads and I quote:

—any amendment—

—to a bill, at the report stage—

—of which notice has been given in accordance with section (5) of this order shall be open to debate and amendment.

Finally I shall quote section (10) of the same order concerning the power of the Speaker as regards amendments at the report stage. We shall see that under section (10) the Speaker has some latitude when ruling on the admissibility of amendments, and I quote:

Mr. Speaker shall have power to select or combine amendments or clauses to be proposed at the report stage and may, if he thinks fit, call upon any member who has given notice of an amendment to give such explanation of the subject of the amendment as may enable Mr. Speaker to form a judgment upon it.

It is exactly what the Chair, allows us to do now that is to plead in favour of this motion which aims at increasing the basic amount of the old age pension from $100 to $200 and, Mr. Speaker, we are grateful for it.

On the other hand, I remind the Chair of its power to select or combine the proposed amendments so as to enable the House to examine these proposals in order that the debate can be more profound, serious and in accordance with the wishes of people. So I think that these references, and particularly section (8), according to which any amendment of which notice has been given in accordance with section (5) of this order shall be open to debate and amendment, establish that the notice of motion of the hon. member for Abitibi is in order.

The Acting Speaker (Mr. Laniel): Order, please. I thank hon. members for the comments they have so willingly—

[*English*]

Mr. Peters: On a point of order, Mr. Speaker, I would like you to make a ruling on these separately, and not in bulk.

The Acting Speaker (Mr. Laniel): Order, please. To pursue what I was saying, hon. members may comment, but it is up to the Chair to make a decision. I do not think that one can ask the Chair to make the same decision on every motion. We have to follow the rule of relevancy in this House and at the same time we invite members not to be repetitive. In this case, it may be that the Chair would not have to repeat itself. I have had the opportunity over the past two days to look at the motions that have been

presented, and to examine the different Standing Orders and the citations from Beauchesne, and I think I am in a position to render a decision at this time on all of the motions. I will not accept the suggestion of the hon. member to limit my decision to one of these motions.

Mr. Peters: I respectfully suggest, Mr. Speaker, that you can only call one of these motions at a time. I have asked that they be called one at a time. You would need unanimous consent to call all five of them en bloc, and I suggest that you do not have that unanimous consent.

[*Translation*]

Mr. Fortin: Concerning the same point of order, Mr. Speaker, I made some comments and quotations just now about notice of motion No. 1, but if I had known that you were intending to consider a ruling on all five of our party's amendments, I would have brought forward arguments on the other resolutions, since some of them had a bearing on the eligibility age of 60, some are financial motions and others again are strictly administrative ones.

The Acting Speaker (Mr. Laniel): The hon. member naturally has a right to comment on each of these motions. The Chair considers that the notices of motions are definitely interrelated, and I think therefore that I can say straight away, on my own initiative, that the reasons behind the ruling that I propose to make concerning the five motions are based on Standing orders, and have precedents in previous rulings and opinions, or in interpretations of Standing orders in Beauchesne's Parliamentary Rules and Forms. I do not see why the Chair should have to make a ruling on any one motion in isolation.

[*English*]

The hon. member for Timiskaming seems to be asking the Chair to render a decision on all of these motions one at a time, because only one motion can be put at a time. The Chair hesitates to accept the suggestion of the hon. member because if these motions are out of order they cannot be put. I do not think the Chair is automatically forced to put a motion and then to make a decision on its acceptability. The Chair has had enough time to make up its mind as to the acceptability of these motions.

[*Translation*]

—the same applies. I would therefore ask the hon. member for Lotbinière (Mr. Fortin) as well as all other hon. members who wish to comment on the relevancy or irrelevancy of the amendments now before the House to do so immediately.

Mr. Fortin: Mr. Speaker, I remember that, in the Committee on Health, Welfare and Social Affairs, with the co-operation of the members of that committee and its chairman, the hon. member for Hull (Mr. Isabelle), each one of these motions was discussed separately. This is why I find it is more or less fair for the Chair to state emphatically that the five motions are out of order, since they were considered in committee.

At any rate, Mr. Speaker, I am going to abide by your ruling and I shall regretfully argue about these five notices of motions.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if I might make a suggestion. I appreciate the problem that faces Your Honour, but I think I can also see the point of view of the hon. members who proposed these motions. It does seem to me it would be quite in order for Your Honour to wait until there has been discussion on the procedural acceptability of all five motions and then make one ruling, or of course you could rule on the first one, and indicate that you are likely to rule the same way on the others. But it does seem to me that the members who put down these motions have the right to express their views on the procedural acceptability of them in the way that they choose, whether on all at once, or on each one at a time. I suggest that you hear argument on each of them seriatim and then Your Honour could make a ruling at the end of that, with possibly one ruling on all five.

The Acting Speaker (Mr. Laniel): The Chair will try to be as fair as it can. For the purpose of facilitating the discussion, perhaps at this time I could put forward some points. The problem is whether the Standing Order or the citation on which I am ready to base my decision will supply enough ground to make my decision on all of these motions.

• (1640)

The hon. parliamentary secretary has referred to Standing Order 62 and he also referred to citation 246 of Beauchesne. I think we have in these two points the crux of the problem with which we are faced as to the acceptability of these motions that are presently suggested to the House.

[*Translation*]

I should like to point out to hon. members that the five motions now before the House reveal the implicit and obvious intention to increase public expenses beyond the limits set by the the recommendation accompanying the bill, which reads as follows:

His Excellency the Governor General has recommended to the House of Commons the present measure to amend the Old Age Security Act; to increase the basic amount of the monthly old age pension to one hundred dollars effective April 1, 1973 with future escalation to commence April 1, 1974; and under Part II of the Act to clarify which year is the base year in the escalation formula and to simplify the calculation of income.

That obviously concerns especially the first motion now before the House. Nevertheless, the other motions are also contrary to His Excellency's recommendation, as they tend to increase the expense of public funds in addition to going beyond the scope of the bill, but I will get back to that.

Earlier, the hon. member for Lotbinière (Mr. Fortin) referred to Standing Order 75 and quoted paragraphs (5) and (8) of the Standing Orders of the House and even paragraph (10). In other words, he referred to a Standing Order outlining the procedure for introducing a motion similar to the one he himself introduced, motion No. 1, and the others as to the time allowed. Then he says that in Standing Order 75 (8), it is clearly stated that whenever a motion is introduced under Standing Order 75, it shall be open to debate and amendments.

Finally, referring to Standing Order 75(10), he bases his theory on the Chair's authority to select, combine or

amend certain motions presented to the House, but he forgot that Standing Order 75(6) states the following:

(6) When a recommendation of the Governor General is required in relation to any amendment to be proposed at the report stage of a bill, at least twenty-four hours written notice shall be given—

I do not suggest that Standing Order 75(6) provides a full answer to the hon. member's question, but as this provision contained in the Standing Order refers to the requirement, in some cases, of obtaining a recommendation of the Governor General, this means automatically, at least in my opinion, that the above-mentioned Standing Order does not prevail over Standing Order 62 which deals precisely with financial provisions and which reads as follows:

62. (1) This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address or bill is proposed.

(2) The message and recommendation of the Governor General in relation to any bill for the appropriation of any part of the public revenue or of any tax or impost shall be printed on the Notice Paper and in the *Votes and Proceedings* when any such measure is to be introduced and the text of such recommendation shall be printed with or annexed to every such bill.

Now let me refer to Citation 246(3) of Beauchesne's Parliamentary Rules and Forms, 4th Edition, page 207, which reads as follows:

(3) The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down *once for all* (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

Hon. members will therefore be able to see that Standing Order 62 and the Citation of Beauchesne's Parliamentary Rules and Forms provide the Chair with enough arguments to enable the Chair to consider at least the 5 motions now before us, and with enough precedents to support a negative decision with regard to the proposals before us.

Of course, if hon. members wish to further enlighten the Chair, I am willing to listen to all arguments but I hope that the points they will make will relate to those matters I have raised.

[*English*]

Mr. Baldwin: Mr. Speaker, might I simply say that we are not taking any part in this debate. After many years of the practice of law I have learned the sound and salutary rule, never get into family fights between husband and wife.

Mr. Fortin: Mr. Speaker, I merely wanted to ask you to refer to May, 18th Edition of 1971, page 507, which states, and I quote:

[*English*]

Amendments may be made in every part of the bill whether in clauses or the schedules. Clauses may be left out and new clauses and schedules added. Amendments to the preamble and title also admissible where amendments have been made to the bill which render them necessary.

[*Translation*]

Then, Mr. Speaker, we are referred to page 509 and I shall spare the House my English. It is a citation from *Parliamentary Practice* of Sir T. Erskine May explaining the procedure regarding inadmissible amendments at the report stage.

I would also refer you to the chapter dealing with inadmissible amendments on page 508 of the same edition, namely to chapter 21 where 11 cases of inadmissible amendments are listed.

It goes without saying that amendments which do not pertain to the bill are out of order. I would point out that this does not apply to the five amendments we are bringing forward. Ours deal directly with Bill C-147 and are not intended to prevent its passage but to improve it and ensure that it meets the needs of our fellow citizens more adequately.

Paragraph (2) on page 508 which deals with inadmissible amendments reads as follows:

• (1650)

[*English*]

An amendment cannot be admitted, if it is governed by or dependent upon amendments which have already been negatived . . .

[*Translation*]

That does not apply to our five amendments, Mr. Speaker.

In paragraph (3), it is said that amendment inconsistent with or opposed to the bill or to the committee is decision, are out of order. That does not apply either because, through the contributions of the hon. members for Bellechasse (Mr. Lambert), Champlain (Mr. Matte) and Abitibi (Mr. Laprise), I succeeded in convincing the committee to pass a resolution to study the possibility of increasing the pension's basic amount, lowering the age of eligibility and paying the pension to the spouse of a pensioner regardless of age.

Mr. Speaker, under the rules, the terms of reference of the committee were to study Bill C-147, that is all. The Standing Committee on Health, Welfare and Social Affairs agreed, thanks to the arguments of my colleagues, to adopt unanimously a resolution to study the matter and to allow the committee to expand his terms of reference on his own account.

Mr. Speaker, that indicates that we would like the House of Commons to take the same position so that we could go further than what is provided in the bill and that the House be authorized to study the substance of those amendments. Notice of motion No 1 moved by the hon. member for Abitibi tends to increase the basic amount; motion No 2, moved by this member tends to lower to 60 the age of eligibility; motion No 3 of the hon. member for Bellechasse tends to give the old age pension to the spouse when one of the two has received it; motion No 4 of the hon. member for Champlain provides an alternative while respecting individual freedom, namely that between 60 and 65, anyone who applies will be eligible to that pension; and motion No 5 moved by the hon. member for Portneuf (Mr. Godin) provides for the payment of the old age security pension to every handicapped person who is 50 years of age.

At this stage, Mr. Speaker, all this corresponds to what I have said until now. If one refers to paragraph (4) of

chapter XXI of May's 18th edition, one can read, and I quote:

[*English*]

Amendments are inadmissible if they refer to, or are not intelligible without, subsequent amendments or schedules, of which notice has not been given . . .

[*Translation*]

I gloss over the remainder, Mr. Speaker, and one will note that again the Standing Orders are respected. According to subsection (5), this would mean the negation of the bill. Far from rejecting the bill, from opposing it, from submitting amendments which would reject it, we want to complete the bill. We want to improve it and that is in conformity with the citations I quoted earlier.

Mr. Speaker, subsection (5) gives two extremely interesting examples which prove the admissibility of our amendments and I will refer you to subsection (6) that I will abstain from reading to save time because we do not want to kill the bill; indeed we want that bill to pass as fast as possible and to really meet the needs of our fellow Canadians. Consequently, I only refer the Chair to subsections 6, 7, 8 and 9.

Subsection 9 provides as follows:

[*English*]

An amendment is out of order if it is offered at a wrong place in the bill . . .

[*Translation*]

I feel, Mr. Speaker, that this is the proper clause, that the right clause is being amended and it goes on up to subsection 12.

Mr. Speaker, I do not wish to take up any further time of the House. I still have many other quotations to make, namely the record of the House of Commons proceedings for December 11, 1969 when a debate on procedure has held. Reference is made—the Chair has also spoken about it—to citation 263(2) of Beauchesne's Fourth Edition of Parliamentary Rules and Procedures which is found on page 220. I will quote it.

Mr. Speaker, while I do so, I would respectfully ask you to try and see the relation between the citation and the notices of motions which we are introducing. The citation reads as follows:

(2) The principle that the sanction of the Crown must be given to every grant of money drawn from the public revenue, applies equally to the taxation levied to provide that revenue. No motion can therefore be made to impose a tax, save by a Minister of the Crown, unless such tax be in substitution, by way of equivalent, for taxation at that moment submitted to the consideration of Parliament; nor can the amount of a tax proposed on behalf of the Crown be augmented, nor any alteration made in the area of imposition.

Mr. Speaker, I will refer you to the five notices of motions since they have to be dealt with together and I point out that none of those provides for a tax increase or a change in the group of people which would be taxed. Those notices of motions have absolutely nothing to do with taxation. They have to do with the terms of eligibility for old age security pensions. This is something entirely different, Mr. Speaker.

We are not asking the government to vote credits or Parliament to pass an act imposing a tax to finance old age security pensions. We know that this government has no other solution in its crazy system to finance old age pensions than to impose further taxes.

The amendments moved by the hon. member for Abitibi as well as myself and the hon. members for Bellechasse and Champlain and Portneuf deal only with the terms of eligibility for the old age pension.

This is why Citation 263(2) of Beauchesne's Parliamentary Rules and Forms, Fourth Edition, do not apply. Citation 276(1) of Beauchesne's Parliamentary Rules and Forms, Fourth Edition, do not apply and neither do Citations 268(2) and 276(8).

Citation 276(1) reads as follows:

—the royal initiation in taxation implies the exclusive right to define the *incidence* as well as the *amount* of burdens to be placed upon the people, and that an amendment which transfers a burden to taxpayers nor previously liable is an infringement on this initiative.

Mr. Speaker, we do not advocate heavier taxes for the people. We are fighting for fewer taxes. We do not urge either that one class, one category of citizens be taxed to pay for old age security pensions. We simply request that the House of Commons revise its position, revise the conditions of eligibility provided for in Bill C-147, which is before us, in order that these conditions of eligibility be broader and tailored to the needs of our fellow citizens.

Mr. Speaker, this is our mandate and I figure that it is of outmost importance for each member of this House, whatever parts he belongs to, to be able to present measures for the improvement of bills, if not, we are wasting our time.

• (1700)

The Acting Speaker (Mr. Laniel): Order. It being five o'clock, we have to suspend the debate on this point of procedure, and even adjourn the decision until the House resumes at 8 p.m. and at this moment—

[*English*]

It being five o'clock, the House will now proceed—

[*Translation*]

Mr. Fortin: Mr. Speaker, I would like to take advantage of the attendance of the four House leaders to ask, in view of the great significance of this legislation, whether we ought not to proceed from five to six o'clock with consideration of Bill C-147, since we definitely want this bill to pass but with the amendments which we have introduced.

The Acting Speaker (Mr. Laniel): Hon. members have heard the suggestion made by the hon. member for Lotbinière.

[*English*]

Is there consent to suspend private members' hour?

Mr. Baldwin: No, Mr. Speaker. There is an important bill which has to be discussed at five o'clock. It may be that after a short speech the government may see fit to give its approval to the principle of the bill. We would be glad at that time to resume the matter we are now discussing.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Laniel): The hon. member for Lotbinière on a point of order.

Mr. Fortin: I am amazed at the view expressed by my hon. colleague from Peace River (Mr. Baldwin), because the other day he "killed" the private members' hour trying to bring about a surprise vote on a Friday, and today he opposes any further consideration of the question of old age security. Now I understand why, yesterday, he moved this stupid motion of his on Polymer—

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Canadian National Railways—Discussions on amendment of pension plan to provide payments on basis of 2 per cent per year of service; the hon. member for Vancouver South (Mr. Fraser)—External Affairs—Representations to United States against proposed flooding of Skagit River Valley in Canada for power project; the hon. member for Edmonton-Strathcona (Mr. Roche)—Government Administration—Increase in departments and buildings in Ottawa—Future policy.

Mr. Reid: Mr. Speaker, I rise on a point of order. There have been discussions through the usual channels. I think Your Honour might find there will be agreement to take No. 7 on the Order Paper, a bill standing in the name of the hon. member for St. John's East (Mr. McGrath).

The Acting Speaker (Mr. Laniel): Is there unanimous consent to the suggestion made by the parliamentary secretary?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

BROADCASTING ACT

AMENDMENT CONCERNING ADVERTISING ON CHILDREN'S PROGRAMS

Mr. James McGrath (St. John's East) moved that Bill C-22, to amend the Broadcasting Act (advertising on children's programs), be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

[Mr. Baldwin.]

He said: Mr. Speaker, in view of the interest by hon. members in this bill, perhaps hon. members might be prepared to give consideration to placing a 10 minute time limit on speeches in order to permit maximum participation. I hope this will permit the bill to be sufficiently dealt with that it will be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we would be happy to agree to a 10 minute time limit during this hour.

[*Translation*]

Mr. Fortin: I rise on a point of order, Mr. Speaker.

It might be advisable to agree on five minutes each in order to return immediately to Bill C-147, in view of its importance.

An hon. Member: Agreed.

[*English*]

Mr. Basford: Mr. Speaker, I am not aware that there have been any discussions on this point through the usual channels. I hope that the hon. member will defer his suggestion until that can occur and the member on our side who is responsible for our contribution to this private members' hour can confer with his members to ensure they are agreeable. Perhaps the hon. member could proceed with his speech and there could be some agreement.

Mr. Reid: Mr. Speaker, there have been some consultations, although not with all parties in the House. However, if there would be agreement, we certainly would agree to that proposition.

Mr. Knowles (Winnipeg North Centre): Agree to what?

Mr. Reid: Ten minutes.

The Acting Speaker (Mr. Laniel): Is the Chair to understand that it is 10 minutes for the whole debate or 10 minutes per speech?

Mr. Lefebvre: Per speech.

The Acting Speaker (Mr. Laniel): Is it agreed that a limit of 10 minutes be imposed on hon. members' contributions to the debate?

Some hon. Members: Agreed.

Mr. McGrath: Mr. Speaker, that agreement effectively cuts out half my speech. I am pleased there is consent because I know there is a great deal of interest in this bill and for very good reasons. I am sure these reasons will manifest themselves as the debate proceeds in the very limited time at our disposal.

This bill which I have the privilege to move, seconded by the hon. member for Thunder Bay (Mr. Penner) and supported by the hon. member for Vancouver-Kingsway (Mrs. MacInnis), was first introduced in the House on April 7, 1971. Hon. members who are interested may want to refer to *Hansard* for that date. Unfortunately, at that time the bill did not receive sufficient support to be

referred to committee or, shall I say, perhaps it was supported to death.

I am hoping for the reasons I will set out in the very brief moments at my disposal that there will be a disposition on the part of the House at this time to allow the bill to go before the committee, not because of any desire on my part to pre-empt the government's responsibility here because I recognize this is an area which is within the government's responsibility. As a matter of fact, I know that the government is interested in this bill.

Since the bill was first introduced, there has been considerable interest all across the country. As a result of the debate in this House and the debate that was generated across the country, a number of groups have become very active in support of the principle of the bill. Indeed, I think it is fair to say that as a result of the bill, which has served as a catalyst for this problem of growing concern, the Canadian Association of Advertisers and the Canadian Association of Broadcasters in the fall of 1971 introduced their code of conduct governing advertising directed at children.

This code became effective January 1, 1972. I am hoping the code will be one area that can be discussed at greater length and in greater depth if the bill is permitted to go before the committee. Indeed, the people responsible for the code can be called upon to give evidence. I think it is fair to say that the code has not proven to be successful. In the first instance, it is a voluntary code. This means the organization sponsoring that code has to depend upon the goodwill of the participating stations to see that the regulations are enforced. The monitoring that has gone on from time to time indicates that the code has not been observed, generally speaking, right across the country. Of course, the principal breaches of the code take place around Christmas time.

Following the introduction of the code, the Quebec government introduced regulations under their consumer protection act. The regulations were designed to protect, within the limited jurisdiction of the province of Quebec, children in that province from advertising emanating within that province. The regulation forbids advertising which incites children to buy or incites them to incite others to buy the product. That is the essential regulation. There are others which also govern the kind of advertising that can be directed toward children. I know there is great interest on the part of the Quebec government to have national legislation in this area because of their limited jurisdiction.

I am also aware that the Canadian Radio and Television Commission, under the distinguished chairmanship of Mr. Juneau, has been conducting studies into this and has been monitoring radio and television stations across the country from time to time. If the bill is permitted to go to the committee, I would expect that the chairman of the CRTC and some of his officials would be called as witnesses. They would be able to tell us exactly what they have found as a result of their studies.

In addition, there are studies underway at the present time at several Canadian universities, including the University of Montreal, McGill University and the University of Toronto. I also understand there are studies underway at Trent University. The United States has been ahead of us in this area, not in the issuing of regulations, but in the emergence of concerned groups reacting to the situation. There is an organization in Boston called Action for Children's Television which was successful in obtaining hearings before the Federal Communications Commission. These hearings are now a matter of public record and could be useful material for the committee to study if this bill is referred to the committee. Then, there are the concerned parents' groups which have been started in a number of cities across Canada, here in Ottawa, in Montreal, Toronto, Vancouver and others.

• (1710)

Mr. Speaker, I do not intend to take the time of the House for much longer because I should like to hear from other hon. members. I have already made my views known. I spoke in the debate which took place when the bill was first introduced in April of 1971. Perhaps I could close my brief remarks by saying that historically we protect children. Under the law they receive special protection. Child labour laws recognize the vulnerability of children. There are laws which prohibit children entering into contracts. But the law does not afford protection to children who are the targets of high pressure, subtle television techniques. Statistics Canada made a survey last year which indicated that Canadian children are exposed to more than 20 hours of television every week. These programs contain many high-pressure commercial messages which in many instances distort the child's view of the real world, make the child cynical about what is going on around him and which build up expectations which, very often because of financial circumstances, cannot possibly be fulfilled. Consequently, serious damage is done to the child-parent relationship. I say this with some feeling because I am the father of six children ranging in age from six to 12.

Some hon. Members: Hear, hear!

Mr. McGrath: Even the advertizing industry itself is concerned. I will conclude my remarks by quoting from the Vice-Chairman of one of the largest advertizing agencies in the world—John Burghardt of Young and Rubican:

> We advertizers speak to 3, 7 and 12-year olds with the same subtle seductive techniques used in selling to adults. We use warmth and emotion, surprise and excitement, humor and suspense, to create images and auras which have little or nothing to do with the products concerned.

I can put it in no better way than the advertizing people have put it themselves in this quotation. I do hope the House will be disposed to allow this bill to go to committee because there is a large body of evidence to support my contention that children are not a proper target for commercial advertizing. Certainly, there is a case for much stronger regulation to be made to protect our children from these subtle advertising techniques.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, it is a pity we have to be so brief in speaking to this important bill, but if the House will permit the bill, or even the subject matter of the bill, to go before a committee there will be much more opportunity for a good deal to be said, as well as much to be heard with regard to a matter which

is of great concern, I believe, to many people of this country, and particularly to parents.

The hon. member for St. John's East (Mr. McGrath) has brought before us a very urgent matter, and although there is at present no extensive body of knowledge on the subject of child-directed advertising, this has not prevented the development of some very definite views ranging from severe criticism to proposals for complete abolition. And that is what we find in Bill C-22. The hon. member for St. John's East has presented the House with a bill which is straightforward, unambiguous, even blunt. He is not endeavouring to regulate, reform or even control advertising directed at children, but to eliminate it. The bill is very clear. It states that no advertisements shall be permitted during the broadcast of a program devoted to children.

How important, really, is a question such as advertising directed at children? How much urgency should be attached to it compared with other national needs? Should this parliament, with so many other pressing concerns before it, spend time worrying about commercials aimed at children?

Some hon. Members: Yes.

Mr. Penner: I hear a chorus of members saying, yes. Allow me to join that chorus. A report recently prepared for the Canadian Advertising Board and entitled "The Child's World and Television Advertising" states clearly that a sizeable minority of people in Canada are in favour of stringent controls on advertising directed at children, or the abolition of such advertising. While current concern in Canada has not so far resulted in a public hearing, I think that such a public hearing is long overdue. Hearings of this kind have taken place in the United States and it is about time this parliament took a look at all or some of the possible adverse effects of advertising directed at children. There is a need, in my view, for more study and further investigation. It is largely on this basis that I willingly lend my support to Bill C-22, and was pleased to second it in the hope that it will be sent to a committee for closer scrutiny.

The whole question of what to do about child-directed advertising is too extensive a topic to be decided during a brief debate. At the same time, the problem is too crucial to allow us to have this bill talked out and tumbled to the bottom of the order paper. I, therefore, urge all hon. members to allow the measure before us to proceed to a committee where the many aspects of the subject can be duly considered in depth through the hearing of witnesses and through the examination of briefs which will undoubtedly be presented.

The hon. member for St. John's East mentioned that the Canadian Association of Broadcasters has adopted a broadcasting code to govern advertising directed at children. I am sure all hon. members welcome this action toward self-regulation which has been taken by the broadcasting industry. We should not feel, however, that simply because such a code is in existence the problems which may exist as a result of advertising directed at children have been solved or that legislation is not necessary. There is, I believe, a need either to eliminate such advertising or, at least, to mitigate possible adverse effects caused by television advertising directed at children. The broadcast code governing advertising for children presents an interesting example of potential self-regulation by an industry, but has the code been strictly enforced? Is it perhaps necessary to go much further by amending the Broadcasting Act and introducing regulations which would be much more effective in controlling whatever adverse effects may be produced by this kind of advertising? The hon. member for St. John's East has given us the opportunity to make these inquiries and I hope we shall find some answers when this bill goes to the committee.

In the brief time still left to me, I should like to say a little more about my personal concern in relation to advertising directed at children. The hon. member for St. John's East mentioned the amount of time children spend watching television programs. Many of these programs contain commercials which are directed specifically to the younger age groups. What does this do? Certainly, all advertising has the effect of stimulating expectations. I sometimes wonder how many children have been disappointed or disillusioned when what they were led to expect was not fulfilled in reality. We all know that children have little or no purchasing power and so are dependent on their parents to fulfil their desire for advertised products. What happens, particularly in low income families, when their demands cannot be met? Is advertising directed at children responsible for causing frustration and conflict in many Canadian homes? I suspect it is. The code for advertising for children, which has been referred to earlier, does say, of course, that advertising must not urge children to ask their parents to purchase products. That is what it says, but can we seriously believe that such a restriction will effectively eliminate undue pressure on parents? Not likely!

• (1720)

The two products that are chiefly involved in children's television advertising are toys and breakfast cereals. Exposure to these advertisements will almost certainly lead children to influence their parents to make purchases. What do these particular products represent? Recreation and nutrition. These surely are matters of some considerable importance to most parents. We wonder whether children's advertising may seriously undermine the parents' own choice of values for their children, so that instead of deciding what they should do for recreation and what they should eat that is nutritionally valuable, it is decided for them through the television media.

Some people, of course, believe that if you have codes or guidelines you may lessen the evil. But others feel very strongly that what is needed is not a lessening of the evil but that the evil disappear completely. So perhaps nothing short of abolition of advertising aimed at children can be regarded as reasonable. Such is the proposal contained in Bill C-22, and in my view it ought to be carefully examined by a committee. All of the aspects of the problem must be carefully looked at by the members of such a committee. I, therefore, urge once more that members allow this bill to proceed for further examination.

I conclude, Mr. Speaker, by commending the hon. member for St. John's East for bringing forward this bill which I am pleased to support. I also ask other hon.

members of this House to register their concern for our country's children by allowing this bill to go on further to another stage of consideration, where it can be more carefully scrutinized and examined.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, once again it gives me a great deal of satisfaction to be able to support this bill introduced by the hon. member for St. John's East (Mr. McGrath). I think he has waged a long fight on this matter and has been doing a very great public service in bringing it increasingly to the attention of people from coast to coast. I am glad to see that there is every prospect this afternoon of moving it one stage further to committee, which represents a definite advance toward the bill becoming legislation.

We are here considering the effect of advertising on children. Last January I was very much interested to read an article that appeared in the Ottawa *Citizen* written by Charles King. In this article he referred to some United States figures, which I do not think are too much out of line since the United States is Canada writ large. We very often find that we are just a little behind certain trends that have gone a long way in the United States. I sometimes wish we could reverse that situation.

This article reads as follows:

According to Dr. Gerald Looney, a pediatrics professor at the University of Arizona, American children spend more time watching television than doing anything else but sleep.

That gives some idea of the magnitude of the problem.

If this news weren't depressing enough, he went on to estimate that by the age of 14, each American child has watched on his tiny screen the violent assault or destruction of nearly 18,000 human beings.

To me this is a very important reason this bill should be passed and we get rid of advertising, at least on children's programs. These programs continually bring up the subject of violence as though this were something unreal, a fantasy. I think one of these days we will discover that a great deal of violence, which is showing a marked increase on our continent, is due to the fact that from their very early stages little tots became accustomed to seeing people blown up, mutilated and in many other ways destroyed. They think of this merely as a picture rather than transferring it into real life. They see pictures of things happening in Viet Nam and in other parts of the world, and to them it is still only a picture. Finally, those people who are at all abnormal or deranged commit acts of violence in our midst which to them are still unreal and fantasy.

This is one reason that I believe we should eliminate advertising on children's programs. The line between fantasy and reality as far as children are concerned is nonexistent because they have become brainwashed. They see violence in all its forms when they are young and they carry this with them into adult life. It is deeply ingrained in them in their early years. I think earlier speakers have touched on this point.

The Ottawa *Citizen* article continues:

And to relieve the monotony of mayhem, he's been treated to 5,000 solid hours of commercial messages coaxing him (or her) to put the arm on Mom or Dad to buy 350,000 individual items at the neighbourhood supermarket.

That is another evil of commercial advertising as far as children are concerned. I do not care what the advertising code says about their being opposed to undue pressure being exerted on parents by children. This sort of thing goes on daily. I am sure the hon. member for St. John's East remembers very well, as I do, that during the days of the earlier food prices committee the representatives of the cornflakes and other breakfast food people appeared, and reference was made at that time to commercials that urge children to put pressure on Mom and Dad, because Yogi Bear would get them if they did not buy the particular cereal that was being advertised.

This kind of pressure on parents in wrong, and wrong from every angle. It is wrong that parents in low income families are pressured by their children to buy things that they neither want nor can afford, thus throwing their whole family budget out of alignment. It is wrong that parents are pressured by their children to accumulate a lot of things. Always there is this ethic that we must have more and more, instead of the much better ethic of getting out and doing things and developing ourselves.

If we are to pay any attention to what the Club of Rome and other people tell us about developing a different kind of ethic, instead of always asking for more and more, then we must start with the tiny children of today. We must make them selective and more careful in outlook. We must get them to do things in a practical way instead of letting them sit in front of the idiot box, everlastingly having displayed before their eyes things for which they pressure their parents. This is wrong, and the sooner this bill is passed and we put a stop to it, the better.

In his explanatory note to the bill, the hon. member for St. John's East refers to children's programs having a captive audience. While many of these programs are excellent, he says, they usually contain commercial messages that are directed at a highly impressionable and very susceptible audience. And, I may add, a completely defenceless one. I was interested to read the other day that the Minister of National Health and Welfare (Mr. Lalonde) had sent out a letter supporting the annual Child Safety week. He said in this letter:

• (1730)

Children are trusting little souls. From the day they are born they are protected and guided by adults.

Adults, too often, neglect this responsibility. As the tiny ones become more independent, their seniors too frequently relax the protection they have trained the child to expect.

This is true. In our way of living, with fathers and mothers being more and more away from home for a good part of their children's day, the children are defenceless. When the children are alone, what is more natural for them than to sit and watch endless hours of television programs during which they are subjected to endless hours of pressure through advertising. I do not think we should permit our children to be bombarded in this way. We are taking defenceless children who have not yet built up any resources of judgment or discrimination and allowing them to be bombarded with this kind of advertising so that they, in turn, can bombard their parents to buy things which in many cases are quite undesirable, have poor nutritional value or have an exceedingly bad effect on the family purse.

Material explaining the National Code of Advertising speaks of the danger of measures which will take too much out of the public purse. I think there is a need for measures which would prevent too much being taken out of the private purse in the form of training children to bombard their parents to buy things which are not needed.

I have one final note. In the committee on food prices we are beginning to have a great deal of concern about consumer buying habits. There are people who buy things on impulse and there are people who are pressured into buying things through advertising, through promotions, and so on. It seems to me that if we are ever to inculcate good buying habits in consumers, the place to begin is with children of early age. That is why I believe this is an especially valuable bill. So, in turn, I conclude by commending the hon. member for St. John's East for bringing forth this bill. I wish the bill speedy passage through the committee.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, as enthusiastically as I can, I wish to support the introduction of this bill and its speedy treatment by the committee. As the father of five children, I and the hon. member for St. John's East (Mr. McGrath) who introduced this bill, who is the father of six children, perhaps have a little bit of experience with regard to the effect of television advertising in the family living room.

Sometimes my children ask me what a Member of Parliament can accomplish in Ottawa, or what a Member of Parliament does. To tell the truth, sometimes it is a little difficult to answer the question. Today, however, the children of the hon. member for St. John's East have seen with their own eyes what a Member of Parliament can accomplish, indeed directly on their behalf because this bill has been presented before, has been talked about a great deal—one might even say it has been talked out—and now it appears it will be successful in at least being transmitted to a committee with, I may say, the endorsement of three very fine speeches which have preceded my very brief speech in support.

The hon. member for St. John's East has given a lesson today, not only to his children but to new Members of Parliament, in that he did not quit when he first brought in this bill, but reintroduced it and kept at it, until he has now a good deal of public support which I predict will be shown to be increasing as the public begins to examine the implications of the measure the hon. member has introduced. I shall quote a very brief passage to show the importance which so many people attach to the subject of children's advertising on television. This is a quotation from the February issue of *Saturday Night*. It appears in a column written by Robert Fulford, who puts the case very succinctly:

> Children's advertising is one of the truly grotesque scabs on North American capitalism. Advertisers use it to con children into getting their parents to pay more than they can afford for toys that are almost always close to useless. The toys seldom perform as well as the TV ads say they will, and when they do they tend to last only a few days or at most a few weeks. In the toy business everybody knows it's an axiom that if a thing is advertised on TV it's probably lousy.

As a father who has bought more than his share of toys advertised on television, I say "Amen" to that. The hon. member for St. John's East referred to the idea that society needs measures of protection for children. Indeed, in many areas of life we do have measures specifically for the purpose of protecting children. He says that here is one area where the rights of children and those who protect them are being violated. That leads me to two brief comments on the bill. The hon. member asks, in talking about programs devoted to children, what is a program devoted to children? He answers that question by saying a program devoted to children means programs such as those defined by the commission by regulation.

I think this will open up a whole area of programs which are shown during the time children are customarily expected to be awake. This, of course, takes us right into mid-evening. I suggest there should be an examination of the type of programming available during that time because, as was said by the hon. member for Vancouver-Kingsway (Mrs. MacInnis) who spoke so eloquently a few moments ago, the whole question of violence is involved.

When we examine the question of advertising and programs, this leads to a discussion of programs shown during the time which might be said to be children's time, or the time when the family has access to television. When we examine the programs and advertisements which are shown at the time known in family circles as children's time, I suggest the producers of television programs in this country and in the United States, since we import a great deal of programming from there, have a good deal to answer for, because I am appalled by the amount of violence depicted on television.

As a father—and I am proud to speak as a layman and a father on this subject—I think of the effect this type of television viewing has, in my judgment, on the minds of children, rendering them less compassionate toward society. If children grow up exposed day after day to nothing but torn and twisted bodies and various kinds of social abuses, I think this has a tendency to diminish the human qualities in our society. As parents, it is ridiculous that we should sit quietly in our living rooms and watch this. I hope no one will say, why not turn off the set? That is not the proper answer. It is much easier said than done, and it is a cop-out. I think that is the first point that will have to be examined as soon as the committee starts its examination.

• (1740)

The second point concerns advertisements that are shown during what I called a few moments ago children's time. I do not mean only advertisements that are directed at children, such as those telling them to buy this toy or to eat that cereal. Those are advertisements for what might be called adult products which are shown on programs that are accessible to children. I submit that the crassness of much of the advertising to which the whole family is subjected needs to be examined, as well as the advertisements to which children are subjected.

I support entirely the principle, the keystone of this bill, namely, that all advertising in programs defined as children's programs be banned. I suggest that the committee look at the quality of programs available in children's time and at the advertisements to which children are subjected. I have before me—I will not take the time of the

House to go through it all—a good deal of material from experts which suggests that family relationships are indeed hurt in many ways by children putting pressure on parents to buy products that they have seen advertised.

When he spoke on a previous occasion, the hon. member for St. John's East concluded his remarks by saying that the committee should have an opportunity to hear witnesses from consumer groups, from the industry, advertising agencies, government and the broadcasting networks. He said:

It would be able to evaluate the evidence and propose to the government a specific set of regulations to be included in the Broadcasting Act.

It is time that we acted on the whole question of protecting our children from television. The hon. member for St. John's East has made a commendable start and the faster we act, the better off we will be.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, looking at Bill C-22, we cannot but congratulate the hon. member for St. John's East (Mr. McGrath) for his commendable effort in bringing forward such a useful bill, particularly in 1973. We hope it will be studied and also amended by the committee because I feel it should not only prohibit advertising directed to children but also indicate a social policy to be followed by broadcasters in dealing with children.

Previous speakers have deplored, as I myself do the nefarious effects on young Canadians of the broadcasting of commercials directed to children. These are the reasons why purpose of the bill is to amend Section 28 of the Broadcasting Act. The purpose is to prohibit all advertisement during the broadcast of a program devoted to children. That is a good thing, but it is quite insufficient.

The committee should also take good note that, not only should commercial advertising be banned from children's programs, but it should also not be allowed to come before or after such programs.

The government ought to make up its mind, once and for all, to use the CBC and the other media to show only the very best material, where children are concerned.

Everything we see for children on television is negative. We ought, on the contrary, to be using this modern means of education to promote the healthy development of children not yet of school age who might profit from television's audio-visual possibilities, which are also capable of developing adults' educational sense, especially in the fields of sports and food. Television should not be exclusively an advertising medium for companies that want to sell our children their products and then include their advertising costs in the price of their products.

Television could also be used to give young people instruction in citizenship, good manners, patriotism, and even geography, to make them appreciate the natural beauty of Canada.

We could also use television for teaching languages to two-, three- or five-year-olds.

In a word, Mr. Speaker, television, which has so far been a very bad influence on young people, could be a very useful contribution to preparing them for the future.

That is why, Mr. Speaker, I am 100 per cent for Bill C-22 and I hope that the committee will do all it can to ban advertising on television programs and allow broadcasters to make recommendations so that they can go on the air not with a negative approach toward young people or to use their facilities only as medium for sales and advertising, but to make young people benefit from educational programming in all disciplines.

Mr. Speaker, I do not want to kill this bill because I am 100 per cent for it. I am making recommendations and suggestions which I think could be used by the committee which will study the bill to indicate to the broadcasters that broadcasting could be used for something other than advertising, particularly when it is beamed at youngsters who are not intellectually ready to tell the difference between what is wrong and what is good in advertising.

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to say a few words on Bill C-22 which is designed to prevent advertising on children's programs. I congratulate the hon. member for St. John's East (Mr. McGrath) for again bringing this bill forward. I recall that it was debated about a year and a half ago and I congratulate the hon. member for being persistent and bringing it before the House again this afternoon.

It seems to me that there is increasing concern in the country about consumer protection, and surely those of us who have young families are concerned about the kind of advertising to which our children are exposed. I recall that when the bill was debated previously it was at a time when a code of ethics had just been adopted by the Canadian Association of Advertisers and Broadcasters and it was to be implemented within the following several months. It is my understanding that this code of ethics has been in effect for a little over a year and a half, and I think now would be a very appropriate time for this bill to be sent to committee for study. It would be a very appropriate time to call the advertisers and broadcasters as witnesses before the committee, to see how this voluntary code of ethics has worked out.

• (1750)

It seems to me that while a corporation such as the CBC, where the profit motive is not quite as strong as it is in private broadcasting, may be able to adhere to a voluntary code, the private broadcaster who is trying to make ends meet financially may be under more pressure and may not be able to adhere to that code quite so easily. So, Mr. Speaker, this is an appropriate time for the bill to go to a committee.

It may be argued that a voluntary code is better, from the point of view that we are not imposing something, but many of us are really concerned about the impact of advertising on children. I have received three or four letters concerning this bill, which is more than I would normally receive with respect to a private member's bill. It shows that there is in my constituency definite interest in this measure and, I am sure, in many other constituencies throughout the country.

It seems to me that our young people may watch too much television. Perhaps many of us who are busy in

professional life or in business do not watch enough, do not have as much interest in television programs. But to learn that the average child watches some 20 hours a week of television is a startling revelation. That means the child is spending almost as much time watching television as he spends at school, and the learning impact may be as great as at school because the child is in comfortable surroundings when watching television.

Many of us find the idea especially replusive that advertisers beam their messages at the child and the child in turn puts pressure on the parents. Many adults develop a certain sales resistance; we automatically turn off a sales pitch if we are conscious of what is happening. But the mother who is raising three or four children may not be conscious that pressure is being put on her, sort of underhandedly, by her children as a result of television advertising. She may be buying goods in a local supermarket and the children will suggest that she buy certain items which they have seen advertised. As I say, she is not conscious of the sales pitch and may be pressured into buying things that are not necessary for the family. Perhaps they may even be beyond the family budget. They may be food items that are not particularly nutritious. In this connection I would like to read one paragraph from "One Child, One Chance," a report on nutrition published by the National Council of Welfare. At page 5 it reads:

> With the pervasiveness of television and other forms of advertising, the question of nutrition has taken on a new wrinkle. Today everyone, rich and poor, is getting food and nutrition information almost exclusively from high powered mass media advertising—television in particular. And much of that information is misleading. Snack foods and soda pops, sugar-coated cereals and processed foods do not add up to optimal nutrition. For the housewife, wanting to get greater food value for her food dollars, and particularly for the poor who need to get the greatest possible food value for the fewest food dollars, the lack of readily accessible, easily, understood nutrition information represents a serious public disservice.

Children are being pressured to buy food which is not necessarily nutritious, and this pressure is being transferred to the parents. Another matter which is of concern is that parents are being pressured to buy food, toys and other products which are beyond the financial resources of the family.

The hon. member's bill puts forward a solution to this problem. I would like a parliamentary committee to go into greater detail on the exact implementation of such measures, whether through this bill or by some other means, to control television advertising to children. So, Mr. Speaker, I support the proposal that the subject matter of the bill be sent to committee for study, because I believe it has great merit.

Mr. Reid: On a point of order, Mr. Speaker, the government would have no objection to the subject matter of this bill being referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts at the conclusion of this private members' hour. If there were agreement among hon. members to discharge the bill and to send the subject matter to that committee, we would certainly be prepared to go along with it.

Mr. McGrath: On the point of order, Mr. Speaker, I certainly agree with the suggestion of the parliamentary secretary, although the bill is so simple and straightforward that I fail to understand why it itself cannot be referred to committee. But under the circumstances, if there is a disposition to send the subject matter to committee, half a loaf is better than none and I thank the parliamentary secretary for his suggestion.

The Acting Speaker (Mr. Boulanger): The parliamentary secretary to the President of the Privy Council (Mr. Reid), seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan), moves that this bill be not now read a second time, but that the subject matter thereof be sent to the Standing Committee on Broadcasting, Films and Assistance to the Arts. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

[*Translation*]

The Acting Speaker (Mr. Boulanger): The hour appointed for the consideration of private members' business having expired. I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

OLD AGE SECURITY ACT

AMENDMENTS TO INCREASE BASIC PENSION AND TO CLARIFY BASE YEAR IN ESCALATION FORMULA

The House resumed consideration of the following order:

> Report stage of Bill C-147, an act to amend the Old Age Security Act, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs.

The Acting Speaker (Mr. Laniel): Order, please. When the House went into private members' hour at five o'clock, a point of order had been raised and the Chair was considering a decision on the motions of hon. members.

[*Translation*]

I would like to know whether hon. members have completed their arguments on this point of order and on the ruling the Chair should render in connection with the five notices of motion now before us.

The hon. member for Lotbinière has the floor.

Mr. André Fortin (Lotbinière): Mr. Speaker, this afternoon before five o'clock, I presented some arguments which I hope underlay the admissibility of the five notices of motion submitted by my colleagues and myself to amend Bill C-147, An Act to amend the Old Age Security Act.

I was quoting a citation from chapter 21 of the 18th edition of May, pages 508, 509 and 510.

Before concluding my remarks, I would like to discuss subsection (12) which is most important. With due respect, Mr. Speaker, I expect that this is the argument you will certainly use to rule all those amendments out of order. However, I think we have valid arguments to present. I am quoting from subsection (12), page 510:

[*English*]

Amendments or new clauses creating public charges cannot be proposed, if no money resolution or ways and means resolution has been passed, or if the amendment or clause is not covered by the terms of the resolution. This rule, which is of fundamental importance, is fully explained in chapter XXVII and on page 754.

[*Translation*]

Mr. Speaker, one need only consult page 754 in Chapter 29 on amendments dealing with expenditures of public funds to realize that our five notices of motion do not fall within that category. Some may object that this is negative reasoning. Still, I feel that you cannot judge wholesale the five notices of motion since the first, as moved by the hon. member for Abitibi (Mr. Laprise) reads as follows:

That Bill C-147, An Act to amend the Old Age Security Act be amended by deleting the words "one hundred dollars" from Clause 1 at line 9 and substituting therefor the words "two hundred dollars".

We may be told, Mr. Speaker, that this involves the spending of public funds. This may be so, but the same does not hold true in the case of the second one which I moved, since it deals with the age of eligibility, that is 60.

Here is the notice of motion of the hon. member for Bellechasse (Mr. Lambert):

"(2) Under the provisions of the present Act and regulations, a monthly pension may be paid to every person, even though the age is lower than that provided for in the present Act if the spouse receives a monthly pension on attaining the age provided for in the present Act."

Mr. Speaker, my colleague, the hon. member for Bellechasse makes no mention of outlays of public moneys; the principle of his resolution bears on the age of eligibility.

The same is true of notice of motion No. 4, introduced by the hon. member for Champlain (Mr. Matte), which reads as follows:

(2) Under the provisions of the present Act and regulations, a monthly pension may be paid to every person between ages 60 and 65 and who applies for such pension on retirement.

This is another important aspect of the old age security program, and the hon. member for Champlain deals with eligibility criteria rather than expense of public funds.

The same remark applies to the notice of motion of the hon. member for Portneuf (Mr. Godin), covering handicapped people having reached age 50.

Mr. Speaker, I am familiar enough with the Standing Orders to know that the ordinary member cannot propose measures involving expense of public funds, and this is a matter of course. I do agree with that principle, though with some regret, but I cannot alter in one night what has been established and preserved for 100 years.

However, I consider that basically one should make a distinction between its financial results and the acknowledged intent of a proposed amendment. It being so, Mr. Speaker, one cannot—and this I suggest quite respectfully—presume that some expense is involved when a motion is aimed at lowering the eligibility age to 60. Possibly you can tell me that this will involve some expense, but I would respectfully suggest that establishing what expense is involved is not your duty or your function, nor mine either. I consider that each and every member in the House is entitled to positive participation in the debate, in drafting legislation and in their improvement. While keeping this in mind, we consider that Bill C-147, as proposed, constitutes a short step towards improvement of old age security, but this is not good enough and it is incumbent on each and every member to try and have the eligibility age lowered to 60.

Mr. Speaker, this is the end of the brief comments I had to make. I understand that they do not always agree with the Standing Orders, but I believe that it is our duty as members of the House to say it and claim it.

• (2010)

[*English*]

Mr. Peters: Mr. Speaker, I am not sure whether you decided, as of course it is your right to do, to group these amendments together and, under Standing Order 75(10), make one decision. May I suggest that the kind of parliament in which we now operate is totally different from previous parliaments. We are operating under rules which did not apply in previous parliaments. We are operating on a different basis with respect to finances. The way we handle resolutions and amendments is different now.

It is true that the Governor General's recommendation was necessary before we could introduce ways and means resolutions with respect to certain financial matters. But we changed the rules. Of course, our present rules are not reflected in Beauchesne's, May's or any other authority to which members have referred. Our present rules are totally different from those we had previously.

I suggest that the Governor General's recommendation which is necessary if a financial measure is to be enacted represents only one portion of a government bill. It is clear, according to the authorities, that moneys cannot be advanced or spent save by the authority of this House. The House of Commons and the members thereof are supreme. The other place cannot make decisions affecting financial matters. Such decisions must be made by members of this House. Their decision as to how money will be raised and spent is the deciding factor. Therefore, I suggest that the recommendation is merely a tool for governments to use in limited circumstances. They have used it in connection with bills such as Bill C-147. I suggest that if minority governments such as the present one base their position on the recommendation of the Governor General, they will find themselves in all kinds of difficulty.

I do not think these amendments are all in the same category. I think it would be easy to argue that motion No. 1, the first amendment, is contrary to the recommendation. If a ways and means resolution had been moved, probably that also would have been in conflict with the proposed amendment. However, I fail to follow the same kind of argument with respect to the second motion, which says that when a person reaches the age of 60 he "may be paid". Whether he will be paid or not is hypo-

thetical. In this House we use the word "shall" if the entitlement is definite.

Obviously, the word "may" carries a different connotation. A man may do something depending on a number of things. Often the word "may" reflects the intent of regulations much more than of legislation. If this amendment were passed, we would provide that under certain circumstances a person who reaches the age of 60 may be paid a certain pension. I suggest that it need not necessarily be paid. Therefore, it is difficult to say if the recommendation would apply to this amendment. After all, we are to establish that an old age pension of $100 a month shall be payable as of right to every Canadian who reaches the age of 65. That is definite. When you reach that age you will, on application, receive that amount of money. However, motion No. 2 does not make the payment mandatory.

Therefore, in my opinion, it is not possible for the Governor General's recommendation to say how much money is to be involved, because some people may apply and some may not. In any event, I think such procedure is totally archaic, and if minority governments of the present type are to continue for some time—as I suggest they may—we need to change our present procedures. If we follow present procedures, subsequent parliaments may find themselves in difficulty.

Why must we rely on Standing Order 62 which has to do with financial provisions? Why must there be the Governor General's recommendation, which in any event is a lot of malarkey. The Governor General does not know anything about the money we want. The government decides what money it wants and it puts the Governor General's recommendation on the order paper. He does not even present it with his own hand, whatever that may mean. Is is just a stage of a bill. The recommendation is not a ways and means provision. Really, the recommendation merely covers government expenditures. In some ways this is a totally new device. The government discontinued the old ways but has not adopted the new ways. If we as a minority parliament think that in certain circumstances people 60 years of age should be retired, we should say so and not bother about the gobbledygook involving the Governor General.

These remarks also apply to the third motion which suggests that "a monthly pension may be paid to every person, even though the age is lower than that provided for in the present act if the spouse receives a monthly pension on attaining the age provided for in the present act." The Governor General has nothing to do with that. How can one include a recommendation with respect to this provision unless it is an open-ended recommendation—because I do not think even Statistics Canada can tell the government how many spouses are in receipt of the old age pension. A spouse may be male or female. Therefore, this matter is even more "may-ish" and "if-ish" than the previous matter of which I spoke, because we are not sure how many people are involved. We do not know if the man is older than the woman or if the woman is older than the man. I suggest that all these arguments presented on the basis of what is contained in Beauchesne's and the other authorities referred to are hypocritical. No, that is not the right word.

An hon. Member: "Hypothetical."

[Mr. Peters.]

Mr. Peters: Well, they are a farce and do not mean anything. They do not apply to the circumstances because such arguments do not take into consideration the changes made to our Standing Orders. I hope, Mr. Speaker—I throw in this thought—that the Clerk and the Clerk Assistant will be given sabbatical leave so they can rewrite the rules in order that we can apply our present Standing Orders.

• (2020)

I do not believe that the arguments being made apply to the circumstances. If we accept the argument by the government or other members against allowing the introduction of "if", "may" or permissive clauses that are operative only after the regulations making them operative are passed, we are not doing justice to the changes that were made to the Standing Orders. I am sure many members would be pleased to see these amendments accepted, to vote on them, and if the amendments are passed, the government—which obviously would like to stay in office—would be quite happy to find the money and might even go to the Governor General to ask him to change the recommendation.

Some hon. Members: Hear, hear!

Mr. Peters: This is a minority parliament, and to stand on an archaic rule backed by archaic precedents is not in keeping with the intention of most members of this House. I hope Your Honour will take this into consideration and that you will be lenient and make operative the decision that I am sure most Members of Parliament wish to be implemented. This involves a reduction in the age limit, not necessarily as a right but as a "may". I hope Your Honour will give consideration to this aspect of the matter.

There is no precedent Your Honour can quote that can satisfy me. The precedent is really based on the change in the Standing Orders. When we got rid of ways and means resolutions and the recommendations attached thereto, we substituted the song and dance but retained something that really does not mean anything. I suggest that under the new Standing Orders the Governor General's recommendation has no purpose in this or any other bill. I hope Your Honour will consider the changes that have been made and will assist the members of this House in implementing them.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, following the remarks of my colleague from Lotbinière (Mr. Fortin) and the hon. member for Timiskaming (Mr. Peters), I should like to add a few points to show that if we abide by the letter of the interpretation given in Beauchesne, the House would constantly be paralyzed.

Let us consider for instance the case where the hon. member for Gaspé (Mr. Cyr) proposed a motion to display the national flag in the House. The cost of the flag alone entailed an expenditure which should have been refused. There is obviously no motion or legislation that can be passed in this House and entail no expenditure. This

means that every one of us is utterly paralyzed and that only the hon. members of the Cabinet would have a right to do something in Parliament.

My second argument, Mr. Speaker, is that it is perfectly possible for us to approve our amendments and lower the eligibility age for the old age security pension to 60, or grant it automatically to the spouse, without necessarily upsetting the budget. One would merely have to find a way of saving somewhere and balancing it. It is not certain that this would mean a raise; my amendment specifies that an elderly person would get a pension if he applied for it. It might well happen that nobody would ask for it, in which case there would be no supplementary expenditure.

And so, in order for all members to have a chance to express their opinions, I wonder if it would not be better if the Chair would declare these amendments in order.

The Acting Speaker (Mr. Laniel): Order, please. I thank those hon. members who have sought by all available means to enlighten the Chair as to the decision it must make. With hon. members' permission, I think I will start by dealing with some points that were brought up by the hon. member for Timiskaming (Mr. Peters).

[*English*]

In his concluding remarks, the hon. member for Timiskaming (Mr. Peters) said that the Chair could quote no precedent that would satisfy him. I trust the hon. member will accept the fact that the Speaker is not here to satisfy hon. members, but to apply the rules to the best of his ability. The hon. member also spoke of archaic rules, interpretation of the rules and changes in them. He must realize that as long as we proceed under this kind of parliamentary system where precedents and practices are the basis of the system, the Chair cannot accept his argument.

I wonder whether the hon. member for Timiskaming includes Standing Order 62 in the rules which he says are archaic. At the time of the changes to the Standing Orders, Standing Order 62 was not changed. Also, the hon. member suggested that the Chair apply Standing Order 62 for the first motion before us, but with regard to the other motions he suggested that Standing Order 62 is archaic and does not apply. Therefore, the argument he put forward to change this basic opinion cannot be accepted.

[*Translation*]

Now, to revert to a point I made in my comments this afternoon, I wish to remind hon. members, as I have just done in English, that the Chair is not supposed to give some leeway or be good-natured, but must apply the Standing Orders and see that the practices and customs are upheld.

I agree with hon. members that it would perhaps be advisable to review the Standing Orders, but this is a matter left at the discretion of hon. members who all know that the Committee on Procedure and Organization is already considering the last changes made in 1968.

In my remarks of a while ago, I referred hon. members to Standing Order 62(1) which states and I quote:

> This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost,—

And subsection (2) states that the message of His Excellency shall be printed on the Notice Paper and presented to Mr. Speaker. I do not have such a recommendation at hand for the time being and even if hon. members wish to claim that the reference to the expense of public funds is perhaps not as clear as some people or as the Chair may claim. Even if the Chair is asked to exercise discretion and not to solve financial questions, I completely disagree with the hon. member for Lotbinière because that is precisely one of the main duties of the Chair, namely to consider the measures presented to this House to know whether they comply with our Standing Orders, practices and precedents.

I also referred hon. members to Beauchesne's Parliamentary Rules and Forms. Citation 246 is quite clear. It reads as follows:

> —the royal demand of recommendation . . . must . . . once for all (unless withdrawn and replaced . . .)

—and I do not believe that the recommendation was withdrawn and replaced.

I keep on quoting:

> —not only the amount of a charge, but also its objects, purposes, conditions and qualifications.

I fail to see how the Chair can admit that the amendments now before the House are not contrary to citation 246. The hon. member said that that citation was written by the author in the light of past Standing Orders, but I think that Beauchesne's is so much quoted in this House that no decision taken in this House has resulted in shelving this interesting and useful book. The Chair can easily use it. I suggest that no hon. member has yet been able to find fault with these two points.

Let me also strengthen my point by referring hon. members to the debate on procedure which took place on May 16, 1972 when the Speaker had to rule on similar amendments concerning a bill on old age security pensions. One can read on page 2326 of *Hansard* for May 16, 1972, and I quote:

> This type of motion requires the recommendation of His Excellency.

And at the bottom of the same page, on the right hand side, one can read:

> I suggest that it clearly is not possible for an hon. member to present a bill or an amendment involving disbursements, unless such bill or amendment be accompanied by a recommendation of the Crown.

And on page 2327, on the right hand side, one can read:

> I would remind the hon. member for Lotbinière that even if the minister should sponsor the motion before us, it would not be sufficient since it would require the approval of the Crown.

I refer to these statements in an attempt to explain to hon. members that the Chair is not here to change the Standing Orders but to apply them. The hon. member for Lotbinière, in his comments, said that the Chair should go beyond its prerogatives. As stated earlier, he said that it was not the responsibility of the Chair to determine whether a bill or amendment involves public spending and I repeat that on the contrary, it is its duty to do so.

The hon. member for Lotbinière has surely raised during the procedural debate some arguments which offhand seemed quite valid. In the first place, he quoted Standing Order 75 the application of which I tried to refute this afternoon, but I think that it deals rather with the procedure than with acceptability.

I have already discussed the matter this afternoon.

Afterwards, he referred us to the 18th edition of May, pages 507 and 508 where we read that it is possible for hon. members to amend every part of a bill. It is said:

• (2030)

[*English*]

Amendments may be made in every part of the bill, whether in the clauses or the schedules.

[*Translation*]

Then he referred us to pages 508, 509 and 512. Tonight I was happy to see he went a little further than this afternoon and had taken the trouble of going to subsection 12, page 510, where we can read—

Mr. Fortin: Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Laniel): The hon. member for Lotbinière on a question of privilege.

Mr. Fortin: I am sorry to interrupt you, Mr. Speaker.

With all due respect, I would have reached subsection (12) had someone not called it five o'clock.

The Acting Speaker (Mr. Laniel): Agreed. I recognize that the question of privilege is well taken but anyway the Chair has noticed that subsection (12) also applies. The hon. member wants to quote subsections from pages 505, 508, 509 and 510 and, as it happens, subsection (12) states:

[*English*]

Amendments or new clauses creating public charges cannot be proposed, if no money resolution or ways and means resolution has been passed, or if the amendment or clause is not covered by the terms of the resolution. This rule, which is of fundamental importance, is fully explained in chapter XVII and on page 754.

[*Translation*]

In his remarks this evening, the hon. member for Lotbinière referred us to page 754 but he went quickly to chapter 29. I would suggest that he look up page 692 of May's 18th edition where there is a paragraph which deals with this royal recommendation and says word for word what can be found in Beauchesne's citation 246. It reads:

[*English*]

—an amendment infringes the financial initiative of the crown not only if it increases the amount but also if it extends the objects and purposes or relaxes the conditions and qualifications expressed in the communication by which the crown has demanded or recommended the charge.

[*Translation*]

In another argument, he claimed that the procedure during consideration of the bill by the committee had been restrictive and he would like this House, through the Chair, to be less strict in applying the rule and to allow the members to go even further than the bill, that is discuss the legislation itself and accept all kinds of amendments. I find it very hard to agree with his argument.

Coming back to the notices of motion now before us, the first one proposes to raise to $200 the basic amount of the pension. According to all the sources that can be referred to, it is obvious that this notice of motion is out of order because it imposes a burden on the government and there is no recommendation from His Excellency.

His notices of motion Nos. 2 to 5 which tend to reduce to various levels the pensionable age for certain pensioners constitute an expenditure of public monies and go beyond the object of the bill.

Hon. members have only to consider the recommendation now before us and the bill to see that the proposal under study is a measure aiming at raising the basic old age pension to $100 a month.

• (2040)

The hon. members in submitting their various notices of motions are proposing amendments relating to the eligibility age; surely this question is not relevant and is not currently before the House.

For all these reasons, it is quite impossible for the Chair to accept the five motions in question.

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-147, to amend the Old Age Security Act, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs, be concurred in.

Motion agreed to.

Mr. Lalonde moved that the bill be read the third time and passed.

Mr. René Matte (Champlain): Mr. Speaker, I would not like at this stage to delay unduly the proceedings or to repeat what I already said at the second reading stage or even on other occasions.

We are now debating a bill which affects an important sector of our population that is faced with a particular problem which is that of not being in a position to live decently for lack of income and this is why we have tried, in moving amendments at the report stage, to eliminate this shortcoming in the law.

In fact, we can see glaring injustices such as two people aged 65 receiving full pensions and the guaranteed income supplement if they have no income whereas a married couple, where one spouse is aged 63 or 64, will only receive half this amount. This amounts to accepting the principle that the necessary products vary in value according to the age of the people concerned. This is obviously a glaring injustice for all those people and particularly when one knows that at 60 it is absolutely impossible for anyone without an income to expect earning one. So this would have been an excellent opportunity for correcting this situation.

And, Mr. Speaker, we remember particularly a speech made by the Prime Minister (Mr. Trudeau) after the results of the election were known and in which he stated that in order to remain in power, he was ready to hear suggestions from the various opposition parties.

Now, for this session, this is our suggestion. We are dead set on it, and this is why I am coming back with an amendment.

I move, seconded by the hon. member for Charlevoix (Mr. Caouette):

That Bill C-147, An Act to amend the Old Age Security Act, be not now read a third time, but that it be referred back to the Standing Committee on Health, Welfare and Social Affairs to consider the lowering of the age for the Old Age Pension from 65 to 60 and the automatic acceptance of the spouse for a pension as soon as one of the couple reaches age 60.

Mr. Speaker, through this amendment, I want everybody to know that we are here to represent the wishes and interests of the people. This is the only reason why we are members of this House and we do not have to muddle up with archaic regulations. If it is not possible to move amendments directly before the House, we would like that this bill be again referred to the committee so that our proposals can be examined once and for all.

Mr. Speaker, other members must realize as well as we do that all Canadians want this done. For example, in the course of the election campaign, we heard the hon. member for Saint-Hyacinthe (Mr. Wagner) tell everybody in Quebec that he was in favour of granting old age pensions to those aged 60 and we wonder why the Progressive Conservative Party does not side with us now. We had followers on this point at the time of the election campaign, but it seems we are now left alone.

We know quite well that the New Democratic Party had this item on its electoral plank. At least they have always shown that they would not be opposed to this. We even heard ministers discuss this matter during the election campaign. Why? In the end, every one was talking about the possibility of granting old age pension at age 60. It is merely because everybody wants it that way. Therefore, if everybody is in favour of it for very exact and serious motives, why is it that we are not fulfilling this desire expressed by all Canadians?

The Acting Speaker (Mr. Laniel): Order. I have examined the amendment proposed by the hon. member. I can hardly accept it in its present form, but in order to allow hon. members who would want to make comments to enlighten the Chair, I will read the amendment:

That Bill C-147 be not now read a third time, but that it be referred back to the Standing Committee on Health, Welfare and Social Affairs to consider the lowering of the age for the Old Age Pension from 65 to 60 and the automatic acceptance of the spouse for a pension as soon as one of the couple reaches age 60.

The hon. member for Lotbinière.

Mr. André Fortin (Lotbinière): Mr. Speaker, I do not intend to speak for too long, because of the importance of this bill and of this amendment, in order that the House may discuss them.

I should like to summarize my argument concerning the admissibility of the amendment moved by my colleague the hon. member for Champlain.

Mr. Speaker, may I remind the House that in the standing committee on health, welfare and social affairs, the hon. member for Bellechasse (Mr. Lambert), the hon. member for Champlain (Mr. Matte), the hon. member for Abitibi (Mr. Laprise) and myself have keenly fought in order to rouse the members of the committee to the necessity of giving their agreement to the extension of the committee's terms of reference, and of studying the possibility of lowering the eligibility age to the old age security pension. And the committee has unanimously adopted a resolution—if I am not mistaken—for a more thorough study of the question, and this not merely on consideration of the votes, but also at any time.

Consequently, I consider that if we do consider the amendment word by word, we might be told that it is not receivable, because the terms of reference it assigns to the committee are too specific, and because in the debate on third reading what the committee has to do cannot be specified.

Mr. Speaker, I would like to respectfully point out to you that this Standing Order is absolutely ridiculous, because this would mean that in the debate on third reading, the House could refer legislation to the committee and assign to it very specific terms of reference.

For the amendment to be receivable, if the letter of the rules is to be adhered to, the bill had, for instance, to be referred to the committee for subsequent debate period. Then, possibly, the amendment could be receivable. But, under these circumstances, what would be the terms of reference of the committee? That is the important thing to know: the committee is prepared, is anxious to study the possibility of lowering to 60 the age of eligibility for the old age security pension thanks to the alertness of Creditistes and we are anxious that the House study this same point. This is why I maintain that, as we are studying Bill C-147, which mentions a basic amount, it would be only normal that this amendment be studied by the House.

Mr. Speaker, one of the amendments we presented read in part as follows:

. . . the lowering of the age for the Old Age Pension from 65 to 60 and the automatic acceptance of the spouse for pension as soon as one of the couple reaches age 60.

This is exactly what the House wants the committee to adopt. This is what the House would like to have recommended by the committee, as it is only studying Bill C-147, which, in reality, only means crumbs for the elderly.

This is why, Mr. Speaker, my colleagues and I maintain, with all due respect, that this amendment is receivable.

• (2050)

[*English*]

Mr. Reid: Mr. Speaker, I wish to make a brief comment on the admissibility of this amendment. There are two arguments against it. First, I think it seeks to amend the Old Age Security Act and tries to do something that is not in the bill before us. Therefore it must fail on that ground. The second ground, specifically, is that this amendment is essentially the same as the notice of motion pursuant to Standing Order 75(5) in the name of the hon. member for Lotbinière (Mr. Fortin), that is, it seeks to go beyond the royal recommendation. Therefore it must fail on that ground as well.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I want to commend my hon. friends of the Social Credit party for the vigour with which they are pressing two or three points about which I feel very strongly and concerning which I think this House should take action, namely,

the raising of the amount of the old age security pension and the lowering of the eligible age. I confess, however, I would find it very difficult to argue for the procedural admissibility of the motion they have now made. But the reason I rise to say anything at all is the reference my friend, the hon. member for Lotbinière (Mr. Fortin), made to what has gone on in the Standing Committee on Health, Welfare and Social Affairs in respect of this matter.

There is something more which I think he should have said when he was referring to the activities of this committee. For example, he should have pointed out that this same amendment was moved in the standing committee. The chairman of the committee ruled it was out of order because it sought to amend the act rather than the bill. However, the upshot of that ruling and of that discussion was an agreement which I think was unanimous. Certainly the chairman accepted it and members of all parties agreed to it.

The agreement was that when we are dealing with the estimates of the Department of National Health and Welfare we will have a full discussion on the question of lowering the eligible age. The chairman agreed that at that point we would find a way to make a report to the House recommending such a change, if that should be the wish of the whole committee. It seems to me there is procedural questionability about the amendment that the hon. member has put forward. However, I do not think the discussion should end without it being known by the House that in the committee there are plans afoot to make a recommendation to the House in respect of this very question of lowering the eligible age which has the support, in terms of substance, I hope, of the majority of this House.

The Acting Speaker (Mr. Laniel): Order, please. I thank hon. members for their contributions to this very interesting debate.

[*Translation*]

Again, I must point out to the hon. member that if at first glance I was reluctant to accept the proposed amendment, it is precisely because that amendment goes beyond the scope of the bill now before the House. The hon. member for Lotbinière (Mr. Fortin) complains that during the committee's proceedings, it was not possible, under our Standing Orders, to amend the bill as certain hon. members would have wanted to amend it. I believe the hon. member wants to refer to Standing Order 75 and if I remember correctly, the procedure that applies to committees is the same that is applied in this House, but less rigidly. Therefore I cannot see, when we must base ourselves on the same Standing Orders, how such an amendment can be allowed in this House, where the Standing Orders are applied a little more strictly.

I would respectfully ask the hon. member to read attentively citation 418 of Beauchesne's Parliamentary Rules and Forms where it is clearly stated and I quote:

All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill.

I believe that if the hon. member takes the trouble to look into Bill C-147, it will be difficult for him to find a provision dealing precisely with the amendment now before us. I also refer the hon. member to citation 415(1) of Beauchesne which reads as follows:

When a bill comes for third reading a member may move that it be not now read the third time but that it be referred back to the Committee of the Whole for the purpose of amending it in any particular.

And subsection (2) adds the following:

In the latter case, the whole bill is opened to reconsideration, but in the former case, the committee can only consider the clause or amendments or instructions referred to them.

In the amendment now before us, the hon. member moves that the bill be not now read a third time, but that it be referred back to the committee. It seems that the hon. member wants to give instructions to the committee for amending the bill according to the motion, and I really cannot see which provision of the bill he wants to amend.

Finally, I must refer to Citation 246(3) of Beauchesne from which I quoted generously in a previous ruling and where, in short, it is stated quite clearly that it is absolutely necessary to obtain a recommendation from His Excellency to introduce a measure that entails the spending public funds.

For all those considerations, I cannot accept the proposed amendment of the hon. member for Champlain.

• (2100)

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, our party wants to see Bill C-147 passed through the House as quickly as possible and I urge upon all members to try to expedite its passage. While several hon. members were apparently rising to participate in the debate, I thought we might be remiss if one or two of us did not become involved in the debate at this time. I must say also at the outset that I and members of my party support the desires and the wishes of the Social Credit party expressed in the amendment that they are trying to move to this bill, and, as one member, I wish there were some way that we could have an amendment of this sort accepted. I believe it reflects the desire of most members of the House to raise the basic pension to $150 a month and to lower the age of eligibility to 60. I think that was obviously the opinion of members when the committee was studying the bill about two weeks ago. Indeed, even the minister said he wished the age were lowered to 43, if I recollect correctly.

So I do believe that all of us could somehow get together and do some of these things which I am sure the people of this country really want. I think I would be fairly objective if I were to say that in the last few years perhaps the greatest defender of the older people of this country has been the hon. member for Winnipeg North Centre (Mr. Knowles), who has spoken many times on behalf of the senior citizens of this country. I remember very clearly that on March 1 he spoke in the debate and recalled the time when he was first elected to the House in 1942. At that time old age pensions were $20 a month and he was fighting for an increase to $30 a month. The government at that time, being a typical Liberal government, compromised and raised the pension by $5 a month. The hon. member for Winnipeg North Centre said that he rose to his feet and told the House, in essence, that the pension

was too little too late. I suppose we can say the same thing about this bill which is before us today.

Our party is saying that the increase to $100 a month basic pension is too little. Our party policy is to increase the pension to $150 a month, and that indeed is the policy of most senior citizen organizations in this country. Indeed, the National Pensioners and Senior Citizens Federation at a recent convention in Prince Edward Island put forward the following resolution:

Be it resolved, that the federal government be requested to increase the basic old age security pension to $150 per month retroactive to April, 1972. Be it further resolved, that the annual increase in said pension be in line immediately with the increase in the cost of living index.

When we talk about increasing the pension to $150 a month we have the support of the Canadian people. Our party also, as I have already said, would like to see a reduction in the age of eligibility to 60. I think we could reach a consensus on that pretty quickly in the House if the minister desired to move in that direction. I know that he commented before the committee that the government was reassessing its social policy and that we may expect a statement some time in April. Indeed, I hope we do have one then and that we do have further legislation to lower the age of eligibility to 60 before this year is out.

I think that our party deserves a great deal of credit for the fact that there is a pension increase, even if it is only to $100 a month. At present the old age pension is $82.88. The automatic increase brought it up to $86.61, and I suggest that if this government had come back after the election as a majority government, the pension would have stayed at that amount. I do not think it had any intention of raising the pension beyond the automatic increase of $86.61, but I believe also that the situation would have been the same if the Conservative party had been in power following the election of October 30. As a matter of fact, during the election campaign I can recall very vividly a Conservative candidate saying that he favoured a pension of $90 a month, while another one said he favoured $95 a month. They could not make up their minds what it should be.

I wonder, if the Conservative party were to come to power in the future, whether they might not go back to the basic pension as it is now because in this area, as in most other areas, the Conservative party is, to say the least, very ambiguous. The Conservative party policies are different depending on which member is making the speech. The Conservatives cannot make up their minds as to what the pension should be. I recall also that, before the last election, the Leader of the Opposition (Mr. Stanfield) was speaking in the province of British Columbia to a group of older people. When they asked him whether or not the Conservative party would support an increase in the pension to $150 a month he said: "Oh, no, that is too expensive, the country cannot afford a pension of $150 a month". That, I maintain, is the policy of the Conservative party. If they were in power they would do nothing more than the Liberal party is doing at this time to raise pensions for older people in this country.

I believe that we could increase the old age pension and I believe that the country can afford it. One way in which the government can raise pensions immediately to $150 a month would be by withdrawing the bill which they plan to present to provide the corporations of this country with a rip-off or hand-out. If they did that they could provide half a billion dollars a year which could be used to raise old age pensions in this country. The corporations of this country do not need fast writes-offs and a reduction of the corporate income tax from 49 per cent to 40 per cent. If we were to defeat the bill or have it withdrawn, then the old people of this country could indeed have a pension increase of a kind that would provide them with money to buy the proper kinds of food, clothing and the type of housing that they need.

From the statistics I have available here, it appears that if we were to increase pensions immediately to $150 a month, we would need about $1 billion a year more over what is now being spent on old age pensions, half of that could be made up if we were not to pass the corporate tax bill and the other half could easily be obtained from the treasury of this country. If we were to raise pensions to only $120 a month, we would only need $432 million, and more than that would be available if the government decided not to proceed with the handout to the corporate welfare bums, their friends in the Canadian Manufacturers Association and their other corporate friends across this country. I suggest to the Minister of National Health and Welfare (Mr. Lalonde) that he present this argument to the government and that he bring back another bill which would increase the pension to $150 a month, despite what the Conservative party may think and despite the crocodile tears they might shed over a few losses to their corporate friends in this country.

I also suggest that the pensionable age be reduced to 60. I believe that this country can afford quite easily to reduce the pensionable age. I believe that this is one of the social gaps in our country at this time. I know all of us have received many letters from people between the ages of 60 and 65 who need some assistance and who do not qualify because of the gaps we have in the existing social legislation in this country. This country could well afford to reduce the age of eligibility for old age pensions.

• (2110)

Another thing that could be done immediately, if we do not want to go all the way at one time, would be to reduce the pensionable age for the spouse of someone who has already qualified for the old age pension. This is another gap in our social policy that should not be there, and I believe we could act to correct that immediately.

There are a number of other things that could be said regarding our senior citizens and other benefits that could be provided for them in terms of medical aid and assistance in purchasing prescription drugs. Many of our senior citizens live in poverty, in inadequate housing. These are the people who, after all, laid the foundations of our country. Many of them were pioneers in the western part of our country and deserve a better break than they are receiving today. This is a brief summary of some of the things that our party would like to see done for our senior citizens. We would like to see the basic old age pensions go up to $150 a month, and the age of eligibility reduced to 60 years.

There is one other thing I would like to say in a philosophical vein before I sit down, and that is that we should

start treating the older people of this country with a bit more dignity. All too often we tend to be very patronizing towards older people, and to treat them as children. We have a youth cult in this country that we worship. Much advertising is directed towards young people. We say that there is beauty in youth, and all kinds of vigour and goodness. The time has come when we should cut out some of these ideas that have been so ill-conceived, and we should start treating our older people as first class citizens. We can go part way in accomplishing that by accepting some of the recommendations made to the Minister of National Health and Welfare (Mr. Lalonde) regarding increased old age pensions and lowering the age of eligibility to 60 years.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I am somewhat pained that so much of the time on this very important piece of legislation has been spent on proceduralism and partisanship. From the very first introduction of this measure I indicated to the House and to the minister that, while I was well aware, as were my colleagues, of the inadequacy of the measure, and while I demonstrated and documented that had the actual cost of living been added since 1963 when the government took office the pension would be $106.94, I nevertheless believed that this was the best we were going to get, and that because I wanted the senior citizens to get it as quickly as possible, it was our parliamentary duty to do everything we could to expedite the passage of the bill.

This was my stance in the committee, and my colleagues and I, who take second place to none in this chamber for our interest in the senior citizens, adopted a self-denying ordinance and stayed out of the debate. And I would have done so tonight if we did not have the injections of partisanship that we heard from the spokesman for the NDP.

I believe that the senior citizens have had enough of trafficking in political auctions, in bidding for them and their support as to who will promise more. It is very easy for a party that has no chance of taking office to promise $200, $300, $500 or $600. It is a little more difficult for the NDP wing of the NDP-Liberal coalition, which danced with joy over the $100, to say subsequently that they want $150. They have done everything possible to perpetuate in office the party which will give nothing more than $100. Let them live with that.

Some hon. Members: Hear, hear!

Mr. Macquarrie: Neither my leader, myself, nor my colleagues, all of my colleagues—

Mr. Deputy Speaker: Order, please. Is the hon. member for Lotbinière rising on a point of order?

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I rise on a question of privilege.

[*English*]

Mr. Deputy Speaker: The hon. member on a point of order.

[Mr. Nystrom.]

[*Translation*]

Mr. Fortin: Mr. Speaker, the hon. member for Hillsborough (Mr. Macquarrie) accuses our party of playing politics, but I will say to him that from the start of his speech he has spoken of nothing but the so-called coalition between the NDP and the Liberals, which may be true anyway. He should ask his colleague from Saint-Hyacinthe (Mr. Wagner) what he said during the electoral campaign about the old age security pension being granted to people 60 years of age, and what he is doing tonight by refusing to support our motions to that end.

Those who play politics are the other side, Mr. Speaker. When we need their support on behalf of the old people, not only do they not support us but they in turn play politics.

[*English*]

Mr. Deputy Speaker: Order. This is not a legitimate question of privilege; it is a question of debate. Members have a right to participate in a debate and give their own points of view, but they should not use a question of privilege as a means of intervening in another member's speech. The hon. member for Hillsborough.

Mr. Macquarrie: Thank you, Mr. Speaker. I am sure that the hon. member for Saint-Hyacinthe (Mr. Wagner) does not need a defender like myself, in view of his eloquence and capacity. I was not thinking of the Social Credit when I was talking about partisanship, as a matter of fact. I think the hon. member was a bit overly sensitive. What I might accuse them of is not partisanship. I wanted to say, before I was interrupted by this important question of privilege, that the party which I have the honour to support, and for which I have stood in this House for 16 years as a champion of a better deal for the senior citizens of this country—

Some hon. Members: Oh, oh!

Mr. Macquarrie: —is not going to enter into the auction room of political shenanigans, trying to bamboozle the older people to support us when we quote figures. I will say this—

Mr. Nystrom: What would you give them?

Mr. Macquarrie: —and I will stick by it, that when the times comes—who knows whether it be weeks or months away—

Mr. Béchard: Years?

Mr. Macquarrie: —when the Leader of the Opposition (Mr. Stanfield) becomes the Prime Minister of Canada, the senior citizens of this country will have a better deal than they ever had before.

Some hon. Members: Hear, hear!

Some hon. Members: How much?

Mr. Macquarrie: This is a solemn commitment, solemnly stated, and I have no intention of spending hours in arguing with—

Mr. Deputy Speaker: Order. The hon. member for Yorkton-Melville on a point of order.

Mr. Nystrom: Mr. Speaker, my point of order is that I wonder whether or not the hon. member for Hillsborough would permit a question at this time, which I think is quite important.

Mr. Macquarrie: As a former and still sometimes pedagogue I should be glad to do my best to enlighten the man. I had planned to speak for five minutes, and if I had not been interrupted I would have been through by now. But I would be glad to assist the understanding of any hon. member on these questions. I repeat, Sir, that we regard this measure as inadequate to the needs, but it is the best we have before us. We want the senior citizens of this country to get the cheques in their hands, and we think the thing to do now is to expedite this measure. As Shakespeare might have said, and I am plagarizing him, "Tis a poor thing but their own." So far as this party is concerned we have no desire to field further speakers, except the hon. member for Saint Hyacinthe whose name was brought into the debate, unless we are tempted to do so by certain indiscretions, oratorical or otherwise. I would say let us move on with this measure.

Mr. Deputy Speaker: The hon. member for Yorkton-Melville with a question.

Mr. Nystrom: Mr. Speaker, I would like to have the hon. member for Hillsborough give the House the answer to a question that I posed to him in my speech, and that he completely missed. May I ask the hon. member whether or not he can tell us exactly what is the Conservative party policy? What is the basic pension that the Conservative party believes the senior citizens should get? Can we have a definite and numerically precise answer to that question?

Mr. Macquarrie: Mr. Speaker, when preparing that question the hon. member may have missed my peroration. I said we were not entering the auction room and bidding for the senior citizens. We are not going to proclaim a figure and then dance with joy when someone else puts in a figure $50 less.

• (2120)

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I am glad to have the floor, after waiting an hour and a half. I did not want this reputedly important Bill C-147 to go through without my having expressed my own comments.

Mr. Speaker, the benefits and merits of Bill C-147 have been generally praised whereas the bill, in my opinion, does not seem to deserve such praise since in fact it will increase only by $13 the amount of old age security pensions, with no consideration—and that, Mr. Speaker, is one of the main points I want to make—in regard to the cost of living index.

Actually, compared to the 1949 dollar, the 1972 dollar was worth only 56.2 cents, and as a result of the increase in the cost of living within the past few months the dollar, compared to the 1949 dollar, is now worth 50 cents. To speak of a $13 increase seems just an absurd mini-reform conceived to dazzle Canadians and particularly senior citizens.

My second point, Mr. Speaker, has to do with persons 60 years old or of the third age. I have consulted several books recently to find out when old age begins, because we are at present considering a bill in connection with the old age pension, and all the books I have consulted, and I have a few here from the Parliamentary Library, establish that old age does not begin at 65, but at 60.

When the liberals and the progressive conservatives claim to offer to the population an adequate old age pension, true to realities, they are completely unscientific and behind the times because they are five years behind all the scientists who prove, from a medical point of view, that the third age or old age begins at 60.

I have here a book written by Mr. Henri Bour and Mrs. Michèle Aumont entitled "*Le troisième âge—Prospective de la vie*", which belongs to the Parliamentary Library. To establish, from a scientific standpoint, that old age does not begin at 65, but obviously, on the average, at age 60, we can read on page 15:

> Finally the evolution of certain endocrine functions: of hypophysis, such as the growth hormone, of the cortico-surrenals, extends over three stages with a plateau from age 20 to age 60.

And, the authors prove without the shadow of a doubt that, as a general rule, human beings can between ages 20 and 60, display biological characteristics which indicate that they cannot begin to maybe grow old before age 60. But, as a general rule, in Canada, old age does not begin at age 65, but at age 60. I also have here another book entitled "La vie commence à 60 ans". This book on senior citizens has three subtitles: "La sécurité dans la retraite", "L'amour au troisième âge"—a question we shall not deal with tonight—and "Vos avantages sociaux". In connection with social benefits, it is always the question of retirement that comes up and it is said that life begins at 60. And this book is not necessarily aimed at the poor, the unfortunate aged people who have to survive on the daily $8 or $10 paid by the government through an overworked social security plan which is always trying to give less and less. This book is mainly intended for the well-to-do who enjoy a monthly or quarterly pension which is reasonable if not comfortable.

The Creditiste party wants the old age security pension to be paid when old age begins. We do not want old age pension when old age is almost over and saying that old age begins at 65 is tantamount to misleading the population, being regressive or unaware of science and lying to the Canadian people.

This is why this bill will not solve the problems of the 65 year old people with this monthly increase of $13 and even less those of 60 particularly when one considers the working conditions of elderly Canadians, not only of those aged 60 or less but even of those entering the labour market by the thousands every year and of those who just completed their studies.

I have with me a circular which was sent to certain ridings with a view to better inform the Liberals about the needs of Canadians. This circular was sent by a Liberal member seeking information on the advisability of setting the old age security pension at 60.

Mr. Speaker, I had circulars returned to my office by mistake and those circulars suggest even in Liberal circles that the friends of the Liberals want the old age pension at 60, that is at the age when old age begins and not at the age when old age is over by three quarters.

Mr. Speaker, those are the reasons why we find this bill to be more or less important. Some seem to want to use blackmail by saying that the Social Credit wants to delay the passage of the bill. It is clear that we are in favour of this bill to increase pensions by $13 a month, which is not even half the increase in the cost of living in the last ten years.

I have here an editorial of the Quebec *Action* of December 22, 1964 which looks at the security of nations. One can read that Western countries waste or spend—it is all the same to me—$140 billion on weapons and $4 billion on the hungry.

It is also mentioned in that editorial that old people are neglected because of the considerable amounts of money spent on military expenditures in all countries.

In Canada, Mr. Speaker, it would be preferable to consider human needs rather than the needs of our Canadian Forces. An amount of $2,134 million was spent in 1964-65 on national defence; we could have used only a few millions on national defence to ensure better security for our older people in Canada.

In conclusion, Mr. Speaker, I hope the problem of old age pensions can be brought back before the Committee on Health, Welfare and Social Affairs because I think that no scientific book was consulted to define when old age starts and it is for that reason, Mr. Speaker, that I will be proposing a motion in a few moments.

There should be an emergency meeting of the Committee on Health, Welfare and Social Affairs with an order to report to the House within 48 hours and recommending that there be included in Bill C-147 a clause concerning the granting of old age pensions to those aged 60, effective April 1, 1973. In this connection, Mr. Speaker, I am pleased to move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That Bill C-147, An Act to amend the Old Age Security Act be not now read a third time but that it be referred to the Standing Committee on Health, Welfare and Social Affairs for further study of the eligibility requirements under the said Act.

I apologize for not having an English version of my motion, Mr. Speaker. In fact, we are not provided the same services as the hon. ministers to have our amendments translated on time.

• (2130)

[*English*]

Mr. Deputy Speaker: I have been provided with a copy of the motion.

[*Translation*]

Mr. Fortin: I rise on a point of order, Mr. Speaker.

[*English*]

Mr. Deputy Speaker: I might tell the hon. member for Shefford (Mr. Rondeau) that my first suspicion is that the amendment he has presented is out of order for several reasons. Of course, I shall hear the hon. member for Lotbinière (Mr. Fortin) on his point of order. The proposed amendment seems to offend the principle of the bill which has been adopted on second reading. It also seems to go beyond the recommendation of His Excellency the Governor General. The argument I should like to hear is whether those two objections can be overcome.

[*Translation*]

Mr. Fortin: Mr. Speaker, you have just read the motion of the hon. member for Shefford (Mr. Rondeau) in French, and I must congratulate you most sincerely on the impeccable way in which you express yourself in French.

Mr. Speaker, to my mind that amendment is extremely serious for, after having done considerable research in Sir Erskine May's 18th edition of his Parliamentary Practice as well as in Beauchesne's Parliamentary Rules and Forms, I feel that this amendment is in order for several reasons.

You maintained a moment ago, Mr. Speaker, that this amendment did not comply with the provisions regarding second reading or the mandate allowed at second reading stage, and you tied in the amendment with the royal recommendation. That famous royal recommendation having been dinned into our ears, we will read it at least once to see what it is all about:

His Excellency the Governor General has recommended to the House of Commons the present measure to amend the Old Age Security Act; to increase the basic amount of the monthly old age pension to one hundred dollars effective April 1, 1973 with future escalation to commence April 1, 1974;

and under Part II of the Act to clarify which year is the base year in the escalation formula and to simplify the calculation of income.

If it is at all possible to dissect the Governor General's recommendation, one will first of all find out that Part II deals with the escalation formula for the calculation of income. This means that for older citizens, for retired people, in some cases, the amount will be "X", and in others, "Y". For what reason? Because the escalation formula referred to in the Governor General's recommendation is such that the pensioners are not all placed on an equal footing, and this is contained in the recommendation. Therefore, the terms of eligibility to an identical pension are not the same for all pensioners.

Mr. Speaker, you stated that the amendment in order to be acceptable should not exceed the formal limits of the bill. Now, what does the amendment introduced by the hon. member for Shefford (Mr. Rondeau) say? It says, and I quote:

That Bill C-147, and Act to amend the Old Age Security Act be not now read a third time but be referred again to the Standing Committee on Health, Welfare and Social Affairs—

Mr. Speaker, so far you will agree with me that the practice, the Standing Orders of the House, May's Parliamentary Practice and Beauchesne's Parliamentary Rules and Forms provided that any time in debate on third reading any member can rise from his seat and introduce a motion "that the bill be not now read a third time, but referred to the Standing Committee for further study.

That is the kind of amendment that is always in order, because as your colleague said a moment ago, when he ruled out of order the motion of the hon. member for

Champlain (Mr. Matte), the reason given by the Speaker was that the motion gave specific terms of reference to the committee. I think that this procedure is ridiculous, but I must respectfully abide by the decision of the Chair.

Therefore, if the Chair argues that the House cannot give specific terms of reference to a committee at the third reading stage for a particular bill, I feel that Your Honour could use the same argument to rule that this amendment is in order. What are the terms of reference that we ask for if we are to get any in this amendment? And I quote:

. . . for further study

That means a more thorough study.

. . . of the eligibility requirements under the said act.

We are not talking about eligibility at 60 or 65, even if we hope that the committee will do that as it undertook to do, but that is not stipulated in the amendment. We are asking for a further study of the eligibility requirements under the act. This does by no means involve expenditures or increased taxes, but only a study by the committee of the recommendation of the governor in council with regard to the requirements for eligibility. What was the recommendation of the governor in council? It might be interesting to read again part of it. The Governor in Council specifies in his recommendation first, that the basic amount be raised to such and such an amount and that this provision come into effect on April 1, 1973, with which we entirely agree. Second, a future escalation will commence on April 1, 1974. Third, under Part II of the Act, the base year of the escalation formula will be specified. This is still part of the recommendation to simplify the calculation of income.

When the Governor in Council suggests in his recommendation that the calculation of income be simplified, he agrees that the House of Commons should thoroughly study the conditions of eligibility for the pension under Bill C-147.

• (2140)

Mr. Speaker, this is not legislation "Y", but we want, through the amendment of the hon. member for Shefford, the Committee Health, Welfare and Social Affairs to consider the eligible age concerning Bill C-147.

There, Mr. Speaker, is what we want. This is why we say that this bill must be referred to the committee and that, within 48 hours, it be sent back to us so that pensions may be paid, as the government suggests, effective April 1, 1973. We do not oppose the recommendation of the Governor General to pass the bill; we only request that the committee make a more thorough study of it.

Mr. Speaker, I can only refer you to chapter 21 intitled "Third Reading in Commons", on page 531 of May's Parliamentary Practice, 18th edition.

Mr. Speaker, I wish my English were as good as your French, so that I could quote. I would read out the whole book if necessary readily and convincingly to prove that according to precedents, as indicated on page 531 and those that follow, an amendment at the third reading stage is procedurally in order, provided it does not negate the principle of the bill, which the hon. member for Shefford's motion does not do.

Another condition stipulated on page 531 and those that follow is that no financial obligation be involved, and I shall humbly point out, Mr. Speaker, that no such obligation is involved in the motion. And finally it is stipulated that at the third reading stage immediate reading of a bill can be opposed and the bill can be referred to a committee, provided no very specific terms of reference be given the committee. This is exactly what we are doing when we suggest a further study.

Mr. Speaker, I would have so many arguments to put forward. I know your ability, your respect for private members' initiatives, and I dare hope most sincerely for my colleagues and for myself that in the light of existing precedents which govern the House, this amendment, which complies with those precedents, will be accepted so that the committee may study this bill more thoroughly.

Thus, Mr. Speaker, for your information, this amendment is actually a request of the House to refer the bill back for further study of the conditions of eligibility which were and are, as I said, stipulated in the recommendation of His Excellency the Governor General of Canada.

Mr. Speaker, if we read bill C-147 and if I listen to the directives and advice that you gave at the beginning before allowing me to speak, I notice that you claimed we were changing the work at the second reading stage. This is absolutely not true.

At the second reading stage, it is the privilege of this House to refer the bill to the committee. What are the stages of a bill? First reading is a formality. During the second reading stage, Mr. Speaker, we freely and rapidly express ourselves and there comes the privilege of the House to refer the bill to the committee. Then the committee brings back its report. This is what we call the report stage. Once the report stage is done with, the bill is before the House for third reading, the present stage. When the House honestly and competently is of the opinion that the bill is more or less acceptable or that the committee report is satisfactory, it is its strict privilege to call for a vote, with a motion such as that brought forward by the hon. member for Shefford, to the effect that the bill be referred back to the committee for further study.

Mr. Speaker, I could give many examples to convince you that it is important to refer the bill back to the committee to enable hon. members further to study the recommendation of the governor in council concerning the eligibility requirements. We want a report, in 48 hours, to the effect that the pension will be paid as of April 1, 1973 and this time, Mr. Speaker, I hope the bill will be acceptable.

[*English*]

Mr. Reid: Mr. Speaker, I will be very brief. There are basically two grounds on which this amendment fails. First, it seeks to amend, not the bill before us but the act that the bill before us seeks to amend. Therefore, it must fail on that ground. Second, if the amendment were carried it would in effect go beyond the royal recommendation; therefore it would increase the expenditure which the Crown would have to make for this particular program. On these two fundamental points, Mr. Speaker, the amendment must fail.

[*Translation*]

Mr. Fortin (Lotbinière): Mr. Speaker, on the same point of order, I would like to refute the two arguments that the hon. parliamentary secretary has just raised since at no time—

[*English*]

Mr. Deputy Speaker: Order, please. We have tried to establish the practice that members do not speak more than once on a point of order. However, I must say that some of the arguments advanced by the hon. member for Lotbinière have given the Chair some concern. If no other hon. member wishes to speak on the point of order, I will recognize the hon. member for Saint-Hyacinthe (Mr. Wagner) and at the start of tomorrow's proceedings deal with the question of the admissibility of the proposed amendment. If this is agreeable, the Chair will recognize the hon. member for Saint-Hyacinthe.

• (2150)

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I had some hesitation in taking part in this debate for the same reasons that have been expressed with eloquence and competence by my colleague, the hon. member for Hillsborough (Mr. Macquarrie), because it was not my intention to follow the example set by the members of the Social Credit Party and unduly postpone the payment of pensions which must be granted to older citizens.

But I must admit, Mr. Speaker, that when I heard the hon. member for Shefford (Mr. Rondeau) talk about the development of the endocrine functions, I thought the time had come to say that in parliament all Quebecers do not sing the same tune.

When I heard the hon. member for Lotbinière (Mr. Fortin) express concern about what the hon. member for Saint-Hyacinthe was doing, seek his assistance and his support, I must admit that I was flattered. I was flattered by this remark which was expressed many times by the hon. member for Lotbinière and the hon. member for Champlain (Mr. Matte) as well as by some other hon. members.

I thank them for their solicitude. As for their concern, I would say to them that this is only the beginning, and that, as the weeks go by, as the next election campaign gets nearer, my Social Credit friends will have excellent reasons for being more and more concerned; concerned about what will happen in the province of Quebec when the provincial government decides to go to the people.

An hon. Member: It will be of great concern to Saint-Hyacinthe.

Mr. Wagner: Mr. Speaker, I fail to see why that should concern my friends opposite, since I have not yet spoken about the present government. I have been speaking only of those who once claimed to hold the balance of power and who realized after the election that they held neither balance nor power.

Mr. Speaker, I can but smile at what I see here this evening, because we still have ringing in our ears the speeches that Social Credit members delivered to us yesterday, the day before and during the last few weeks, while the official opposition was expressive what Canadians are thinking, in the form of non-confidence motions, while we were letting all members know that we had had enough of an impotent government that deserves to be thrown out.

Mr. Fortin: On a question of privilege, Mr. Speaker.

Mr. Wagner: Mr. Speaker, we listened to what the hon. member for Lotbinière was saying about the Polymer Corporation, and to his frequent jibes at the official opposition; the member for Lotbinière, Mr. Speaker, called us—

Mr. Fortin: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker, as a member I think I have a question of privilege since I have been given, like my colleagues, a nonequivocal mandate to represent my fellow citizens in the House of Commons, whether they live in Quebec or elsewhere. The Social Credit Party of Canada is not bound to defeat the government but to get further benefits for senior citizens.

Mr. Wagner: Mr. Speaker, I would not wish to offend the hon. member for Lotbinière. I would not like to hurt his feelings if I remind him that, for several hours and several days, through a useless exercise in "proceduritis", the Social Credit Party of Canada is delaying the payment of money due to senior citizens.

Mr. Speaker, tonight we are snowed under a series of motions, amendments and procedural arguments of all kinds—

Mr. Fortin: Mr. Speaker, I am rising on a question of privilege on an extremely serious matter.

The hon. member for Saint-Hyacinthe has just charged the Social Credit party of Canada of "petty proceduritis", but at least we do rise and make proposals in the House. At any rate, I suggest that according to our rules, the hon. member for Saint-Hyacinthe has no right to comment on rulings made by the Speaker, nor on the quality or the introduction of motions. The standing rule also provides that we do not have the right to determine or reflect on a member's behaviour with respect to a vote.

Mr. Speaker, I suggest that the hon. member for Saint-Hyacinthe, instead of wasting the time of the House as he is doing now, instead of accusing others of doing nothing, should rise in his place and say courageously, on behalf of the people of Saint-Hyacinthe, that he is in favour of old age security pension at age 60 and then, he will be doing the same as we are, that is he will have made a positive contribution toward improving the conditions of older people.

Mr. Speaker, I suggest that my privileges and the privileges of my colleagues, not only on this side of the House but on the other side also, have been infringed upon because we had to put up Monday with a ridiculous motion concerning a past sale, a motion introduced by the Progressive Conservative party to delay the business of

the House. Not a single word was uttered this afternoon and tonight we are being accused because five members have introduced motions on old age security pensions.

[*English*]

Mr. Deputy Speaker: Order. I think the hon. member goes beyond the question of privilege originally raised. He is referring to a matter which was dealt with yesterday. I must say that the Chair has been preoccupied with the motion presented by the hon. member for Shefford (Mr. Rondeau). I have not heard all that has been said, but I gather from what I have heard that the blows are about equal.

I hope hon. members will not consistently rise on questions of privilege which are really matters of debate. I will recognize the hon. member for Saint-Hyacinthe.

[*Translation*]

Mr. Wagner: Though I want to respect the privileges of the hon. member for Lotbinière, I would like to go on and say, Mr. Speaker,—

Mr. Deputy Speaker: Order, please.

Mr. Wagner: —I would like to go on and say, Mr. Speaker, that our friends of the Social Credit party have certainly not been guilty of benign "proceduritis" but I would say malignant "proceduritis" because when they were putting forward this shower of motions and amendments, and rising on points of order of all kinds, I wondered whether they were being ingenuous, unaware of the standing Orders or knowingly delaying the passage of this legislation.

And when I read through similar amendments, practically word for word, which were moved in this House on December 17, 1970 and which one can read on page 2162 of *Hansard*, when I find that the decisions of the Speaker were known by our colleagues of the Social Credit party, I wonder—though the Standing Orders prevent me from questioning faith—to what extent one may consider that they were earnest in the way they acted here. I will tell them of course that we have been ashamed by the way they have acted, but we are used to it.

Mr. Speaker, the hon. member for Lotbinière was asking us a moment ago what is our position as regards the elderly. I will send him the text of the statement I made in this House on March 2, a copy of which has been distributed to all my constituents in the riding of Saint-Hyacinthe. I will send a copy to the hon. member for Lotbinière so that he be well aware of the fact that we, on this side of the House, are concerned about the welfare of elder people; we want the government to treat them with utmost justice; we want the government—

[*English*]

Mr. Lalonde: I rise on a point of order, Mr. Speaker. In light of the fact that all those who have spoken tonight have expressed concern for the aged and a desire to see this bill pass as soon as possible, I wonder, since everyone has had a good opportunity to express their views on the subject, whether we might not agree to put the question now.

Some hon. Members: Question.

[*Translation*]

Mr. Fortin: On a point of order, Mr. Speaker.

Yes, Mr. Speaker, I rise on a point of order.

I would like, with the support of my colleagues, to propose that the House continue to sit until the passage of this bill which is extremely important. We are willing to co-operate.

Mr. Wagner: Mr. Speaker, I for one would like to suggest, on behalf of my colleagues, that the question be put if need be, at ten o'clock, for in two minutes I will be through with my remarks.

Mr. Fortin: On a point of order, Mr. Speaker. If the hon. member for Saint-Hyacinthe would—

Mr. Speaker, if the hon. member for Saint-Hyacinthe would follow the debate, he would know that the House has not before it the motion of the hon. member for Shefford, concerning which the Chair has held up its decision and that consequently he cannot propose that the question be put at ten o'clock.

We agree unanimously to continue the proceedings to allow Mr. Speaker to rule whether our motion is in order; we agree that the vote be taken tonight in order to ensure that all parties in the House do like the Social Credit and work in favour of old people so that this problem may be settled once and for all.

[*English*]

Mr. Deputy Speaker: Order, please. If it will help hon. members to feel better, I can advise the House that I shall be ready to render my decision in another five or ten minutes. I have the names of the hon. member for Saint-Hyacinthe (Mr. Wagner) and the hon. member for Regina-Lake Centre (Mr. Benjamin) as wishing to take part in the debate. I see more hands raised. I am not obliged to see the clock until somebody tells me what time it is. Did an hon. member say it was ten o'clock?

An hon. Member: No.

Mr. Deputy Speaker: The hon. member for Saint-Hyacinthe.

[*Translation*]

Mr. Wagner: Mr. Speaker, I thank the hon. member for Lotbinière for this lesson in procedure and moreover I recognize that I am not as good as him in "procedurology."

Mr. Speaker, I was saying a few moments ago that although my colleagues and myself find that the increases proposed by the government are quite inadequate, we recognize that they constitute nevertheless a progress by which senior citizens will be able to profit as soon as possible. Along with all the other members, I think that it is desirable that one day we will be able to lower the age of eligibility to the old age security pension to 60. This is the direction in which we want to work and we will support the bill which is now before us.

Surely, Mr. Speaker, procedural subtleties should not be an obstacle to legitimate rights. Unfortunalely—I said it at the beginning and I shall conclude my remarks by repeating it, the show which our colleagues of the Social Credit

gave us is one that older persons did not deserve. I agree with my friends of the Social Credit on the increase in pensions. I agree that the age of eligibility should be lowered, but I cannot agree with their tactics which only too often use human hardship to promote their own interests.

• (2200)

[*English*]

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I had no intention of taking part in this debate, but in view of the remarks of the hon. member for Hillsborough (Mr. Macquarrie), the last person in the Conservative party caucus from whom I would have expected to hear such remarks, I think I should reply.

If the hon. member for Hillsborough and his colleagues consider the amount of money that the senior citizens of Canada are entitled to, and should be receiving, a political option, then we now know for certain where the Conservative party stands on this issue. Had the Conservative party made some definitive statement in terms of dollars and cents per month since the first of September last and the end of December, it probably would not have been a political option; indeed, they could now be occupying the treasury benches. Refusal to specify the exact sum, except in vague terms of cost of living index which would have brought the old age pension to something around $95 a month, meant that they lost what the hon. member for Hillsborough called the political option.

At least the Liberal party did not say anything during the election campaign about how much the pension should be raised. Then they came forward with something definite, the $100 figure. The hon. member for Hillsborough is now curling behind the glass. They can do better, he says, and he mumbles vaguely about a figure of $106. I remember in 1956 the right hon. member for Prince Albert (Mr. Diefenbaker) was wagging his finger at the Liberal benches and talking about the "six bucks boys". Who are the "six bucks boys" now? Those who are going up from $100 to $106.

In addition to that, they have the gall to accuse the members of the Creditiste Party of delaying the passage of this bill when had their efforts succeeded on three or four previous occasions since January 4 this parliament would not have been sitting and there would not have been any increase in old age pensions. They have the gall to continue this kind of hypocrisy in respect of a debate on old age pensions. This shows them up, Mr. Speaker. Normally, I am very kind, quiet and benign in respect of my good friends in the Conservative Party, but tonight they have reached a low or a high, whichever way one looks at it. Certainly, we have some concrete evidence that the official opposition, the Conservative Party, has no policy and refuses to recognize the legitimate needs of the senior citizens of Canada in terms of the amount of dollars they should receive per month.

Where were they last October and last November? Had they responded in some positive manner to the proposals made by the hon. member for York South (Mr. Lewis) on November 15, they could have been sitting on that side of the House by January 15. They sat and would not speak up. Now, the curling game is over. The hon. member for Hillsborough (Mr. Macquarrie) is out behind the curtain. He never misses a shot. He regards us as being inadequate. What about last night? We do not consider this to be trafficking in political options. We consider this a golden opportunity. I hope the Minister of National Health and Welfare (Mr. Lalonde), even at this eleventh hour, would propose that this bill be sent back to the committee for one day or if it is not in order for him to do so I would hope that right now he would make a significant gesture to the senior citizens by stating that this increase will be retroactive to the first of January so that they will receive some modest recognition.

He could also call upon his colleagues in the cabinet to implement a rent freeze to prevent the erosion of this increase in the old age pension. In some housing projects in some cities, already the entire increase has been eaten up through rent increases. The least the Minister of National Health and Welfare could do now at this eleventh hour would be to introduce a three-months retroactivity in respect of the pension increase to enable the old age pensioners to pay the unconscionable rent increases.

The hon. member for Hillsborough calls this a political auction. Who does he think he is kidding? In my opinion that is an unconscionable thing for him to say. He is the last member from whom I would expect to hear this. He has colleagues who are political dinosaurs from whom I would expect such things, but I would not expect them from him. If he, the hon. member for Saint-Hyacinthe (Mr. Wagner) or the Leader of the Opposition (Mr. Stanfield) had any compassion back in November, December or January they would have said that a Conservative government would implement an old age pension increase to not less than $110 or $120 a month. They cannot have it both ways. Yet now they say they would do better.

Mr. Alexander: Mr. Speaker, I wonder whether the hon. member would allow a question?

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

Mr. Alexander: Heavens no, Mr. Speaker. I just want to ask the hon. member a question.

Mr. Speaker: The Chair recognizes the hon. member for Bellechasse.

Mr. Alexander: I wonder whether I have agreement to ask the hon. member—

Mr. Speaker: Order, please.

Mr. Alexander: On a point of order, now.

Mr. Speaker: Order, please. The hon. member has a heavenly point of order.

• (2210)

Mr. Alexander: Mr. Speaker, I thought that when you rose you were going to recognize me inasmuch as I indicated during his speech that I wanted to ask the hon. member a question. I thought at that time you were going to allow me to ask the question. I then saw that I would not be recognized, and now I hope Your Honour will have

some consideration in this respect and will allow me to ask the hon. member one simple question.

Mr. Speaker: The hon. member's point is extremely well taken, and I recognize from the smile on the face of the hon. member for Regina-Lake Centre (Mr. Benjamin) that he would welcome the question of the hon. member.

[*Translation*]

I apologize to the hon. member for Bellechasse (Mr. Lambert) who will have to be patient a little longer.

[*English*]

Mr. Alexander: This will not take very long, Mr. Speaker. I was very impressed with the hon. member's speech. I think we are all concerned about the plight of our senior citizens who, as I have often said, are the forgotten people of this country. But when we speak of principle, if I recall correctly the hon. member's party had submitted, without any hesitation or reservation, their recommendation for a pension of $150 a month and had said they would press for it and there would be no withdrawing. I would ask the hon. member how, in heaven's name, anyone can expect credibility after having sold out for a pension of $100 a month.

Mr. Benjamin: Mr. Speaker, that is a very good question. It gives me an opportunity to take a couple of minutes more to refresh the hon. member's memory on the policy of the NDP, which is that an NDP government would immediately implement an old age pension of $150 a month. In the course of the minority parliament the NDP took the position that we were going to get the most we could possibly get out of whoever was governing. It so happens, unfortunately for the senior citizens, that the most we could get out of anybody in this parliament was $100 a month from the Liberals. Had the hon. member's party been prepared to go to $106 a month back in October, by the middle of January they could well have been where the government is.

Mr. Alexander: All I can say is, shame.

[*Translation*]

Mr. Speaker: I believe the time has come to hear the words of wisdom from the hon. member for Bellechasse (Mr. Lambert).

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I thank you for your kind words regarding myself and if wisdom has not touched a person at my age, it never will.

Mr. Speaker, I have listened with great attention to all the comments made in this House tonight. This does not mean that I accept all the arguments brought forward but, at any rate, I listened to them. I hope that, in turn, my colleagues will listen with patience to the few comments I wish to make on third reading of the bill.

What amazes me is that nearly all members in this House seem to agree that persons aged 60 have rights to increased pensions in order to allow them to live decently and in full security as they so richly deserve. However, we are presently prevented by the Standing Orders from implementing our good ideas.

So I am rather astounded that the Standing Orders should prevent us from reaching the objective we all want to reach. Since our rules in fact prevent us from increasing the credits to meet our senior citizens' needs, I think that this House should at least be left with one role, namely that of drawing the people's needs to the attention of the government, of the Governor General so that the rights of the aged be recognized as quickly as possible.

Mr. Speaker, I would also like to make a simple remark to my colleague for Saint-Hyacinthe (Mr. Wagner) who earlier—injust I think—stated that the Créditiste members wanted to exploit human misery for petty political gains.

I think he did not mean what he said because I have here a report of the recommendations of a senate committee which conducted an investigation throughout the country to see whether there was poverty in Canada and what should be done to alleviate this poverty and establish a better degree of distribution of our wealth to meet the needs of the whole population and not only of two-fifths of it. I think that the senators were not being demagogic; they have found a fact and made recommendations.

I have also here a report published in a newspaper when the Liberal Party said that if they were elected they would establish a just society in Canada. If he wanted to establish a just society, it is because he was aware of some injustice in Canada.

It is precisely to perpetuate injustice when many individuals are left to live in inhuman economic conditions, while Canada can do better. I have also in hand a statement—and not the least—of Mr. Alfred Rouleau of the Desjardins credit unions to the effect that the eradication of poverty is a collective responsibility.

We are here to work together at finding a way to improve those conditions and in order to comply with the standing orders and procedure, we must restrict ourselves to make known, as I said a moment ago, the needs of the people.

If I take part in the debate on the bill concerning old age security, it is to convey the message of the senior citizens who do not have the means to lead a decent life. I suggest that it is inconceivable that in 1973, when the gross national production beats all records, in spite of thousands of unemployed, our country tolerates so much poverty. I am not ashamed of saying it because those are the facts.

Someone said one day that he who robs a man of his clothes shall be called a thief. He who does not cover a man who is naked when he can do so, does he deserve another name? It is not I who said that, but somebody else and I think that he was right.

Thousands of older people really suffer from this inhuman life, put up with a hard life and there is no law to guarantee them a fair and truly social minimum income.

• (2220)

Everybody wants it, we want it, but the procedure is stopping us, and I am anxious to see this elephantine procedure dealt with.

It so happens that there are thousands of couples who have to live on the pension of one spouse. How can one imagine that it is possible for two people to feed them-

selves, clothe themselves, get the required drugs, maintain a house, pay their fuel, taxes, electricity, telephone and sometimes a little trip to go and visit the children, which is quite normal and human, on such a small pension?

I know provincial governments have passed welfare legislation to help people in need and the government of Canada pays 50 per cent of those expenditures under the Canada Assistance Plan.

In Quebec, since the revision of welfare legislation the rules are too stringent. When a person or a couple ask for help because they cannot support themselves, if they own a house, in most cases they have to part with it as a prerequisite for eligibility for assistance, which I consider inhuman.

I cannot bring myself to accept that after 40 or 45 years of hard work and often under difficult conditions to participate in the development of this country our people over 60 cannot be provided with better living conditions. The scandal of poverty and insufficient income of people 60 and over is obvious. Canada despite its immense resources is far from showing a comforting image to those who are hungry for human justice and dignity.

One Canadian out of three lives socially, economically, politically and culturally on the fringe of society. The living conditions imposed upon a great number of people over 60 are an insult to justice and an evil in one of the richest countries in the world.

We all bear collectively the responsibility for that situation. I accept readily that in the field of social security this country is one of the more advanced in the world but we can do even better and it is for that reason that I say we should take immediate action.

However fascinating because of horizons opened to us, the times which we are living are nevertheless often, alas, the source of many disappointments, particularly for those who are no longer admitted on the labour market and cannot receive a guaranteed income while awaiting the old age security pension.

The Christian message is clear: God is calling upon us by the signs of the time, by daily events. "Feed your starving brothren, clothe those who are cold, give a roof to the homeless." In concrete terms, Mr. Speaker, today that means there should be a minimum guaranteed annual income for each and everyone, and more specifically for people of 60 and over.

In a message released on the occasion of 1972 Labour Day, Canadian bishops expressed serious concern about the problem of distribution. It was called the "sharing message". And the problem of inadequate sharing is a real challenge for the bishops.

The message read as follows, and I quote:

PROSPERITY, FOR WHOM?

—FOR THE "SYSTEM"?

—FOR MAN?

Let us not be deluded by the theory that says that general economic prosperity ends up by being of benefit to all. Despite the increase in the GNP, unemployment remains a real plague just about everywhere throughout the world: the rich grow richer, the poor, poorer.

That is why we must talk about it and without delay.

[Mr. Lambert (Bellechasse).]

Finally, I should like to quote you a last paragraph of that message on which we should meditate as legislators:

Over forty years go, Pope Pius XI reminded us that, on their own, profit and economic growth ill-serve the people. "In the final analysis, any program intended to increase production has no object unless it serves man. Its purpose is to reduce disparities, fight against discrimination, free man of his bonds, enable him to be the master of his own material well-being, his moral progress and his spiritual fulfilment."

Like the so-called underdeveloped countries Canada needs new criteria of prosperity which will give priority to human fulfilment, co-operation and a sense of community. In the search for a new social approach, Christians must not stand on the sidelines. The values we live by dictate that we do. By withdrawing, we sin grievously against our social duty.

That is why we worked so hard, to try and help the government to get Parliament to pass legislation that corresponds to the ideas and principles that I have just mentioned. I quote again:

If Christians in Canada wish to contribute to building our society, they cannot fail to take note of new policies that aim at subordinating economic growth to a fairer distribution of the national income. And this objective can be achieved by applying a modern policy that established a guaranteed minimum yearly income based on the material potential of our country, and sufficient to enable people in these categories to lead a well-deserved normal life during their final years.

Mr. Speaker, I agree with that message and this is why I consider that the spouse should be eligible for the old age security pension, whatever his or her age, provided the other is eligible under the act.

I know in advance that I will be told that the most generous party in legislation concerning older citizens was the Liberal party. I do not question it, but I should like to add that this has been materially possible through the labour of the generations that preceded us and of the people now aged 50 or over.

The government only legislated in order that the benefits of a life within society be truly available to its members. I sometimes wonder about those people who, in their early life and even in the best year of their lives, have toiled for very long hours each day in return for very low salaries, and also about those who were in business, as merchants or farmers, who earned net incomes that were sometimes ridiculous and had to assume the whole cost of their children's education, and I compare to theirs the easy life of our young people today who reap the result of the endeavours of those who have today reached the sixties, and I submit that the legislators' duty is to adopt legislation guaranteeing those persons at least an honest subsistence, without their being compelled to crawl on their knees to beg their daily bread.

Many of those aged people who have weathered extremely difficult years have not made the count of their hours of labour, and it is thanks to their industriousness which spurred them that today's young people can benefit from numerous advantages in all respects, which the people aged 60 or over could never enjoy.

Is there a more noble deed for a couple, besides contributing to the development of their country, than having also provided it generously with the most lavish gift, that is human capital, making it the richer for the many children they bore and which are today its glory.

Who, Mr. Speaker, built these towns and villages that are the pride of our land? Who built our beautiful country parishes, not with the modern tools we have now, but, on the contrary, with makeshift means, by dint of ingenuity which I would call heroic? It is to elderly people, 60 years old or over, that we are indebted and should pay our debt with love and pride for the development of Canada an unprecedented record in the GNP, which enable us to increase substantially the old age security pension.

• (2230)

I received, not so long ago, a letter which read as follows:

Due to the precarious position of the federal government, the latter seems more willing to finally increase the old age pension. Mr. Lalonde talks about substantial increases, and we elderly people wonder if at last the old people will be able to receive at least the minimum recommended by the Royal Inquiry Commission on Poverty.

It is not possible, you will understand, for three persons, namely the father and the mother and a 17-year old student to get along with $170 per month. Besides this amount, there is a monthly allowance of $26 which is being paid by the Social Welfare which is far from being assured and which may be withdrawn at any time.

Mr. Lambert, you are aware that human beings need to have their needs satisfied adequately before wondering whether the money controllers will agree. If money is scarce, bread should be provided first and then games which have no priority. We, the aged citizens with family obligations, are asking why we are rationed because, indeed, getting these meagre pensions is actually like being rationed and if there is to be rationing, then everybody should be and not only the elderly persons. If you could, Mr. Lambert, you should require that the bill on old age pensions be introduced in priority and if Mr. Barrett, Premier of British Columbia is in a position to give $200 per month to his older citizens, why could we not do the same in Ottawa?

And it is signed: A lady from Sainte-Justine, Mrs. Antoine Blanchette.

Mr. Speaker, I could quote scores of other letters which are saying the same things, requesting their representatives to pass their message on to Parliament. If we receive such letters, discard them and fail to draw the attention of the government on them, people will come to detest their politicians even more and will say: We pay them for nothing; they cannot render justice where it is due.

That is the reason why I kept those letters and I used my privileges today, those that I still have, to give those examples and to ask once again the government to take action before it is too late.

So, Mr. Speaker, I shall not bother the house with all these letters, but at all events I wanted to show and prove that people aged 60 and more need the old age security pension, and this is not a whim, it is an acquired right. I know however that young couples with children tell us: You only talk about old age pension. There are young people who study. There are young people in the province, there are young people in our constituencies. What about family allowances? Of course, everything will be looked after in due course. They speak this way, however. They are the couples with children or couples who would like to have some. They tell us rightfully that family allowances should be increased substantially.

I am keeping in mind the statement made by the minister before the Committee on Health, Welfare and Social Affairs that he will in the near future, after consultations with the provinces, bring in legislation to this effect.

I very much hope that at that time the government will bring in legislation that will be generous enough to spare us the need to propose amendments to try and have the rights of these Canadian families better recognized.

It is disturbing, Mr. Speaker, to note that in our country and more particularly in the province of Quebec, which has always had the highest birth rate, the province has had the lowest rate for the past two years.

And when the family allowance plan was established under legislation in 1945, there were people from the English provinces who said that this legislation would be profitable to the province of Quebec. Now, according to the budget tabled in the House a few days ago, it is seen that the largest estimates for family allowances will go to the province of Ontario during the next fiscal year. That goes to show the importance of adjusting our social measures to current needs and actual requirements, so as to further encourage our young people to fulfill their mission, as the people of 60 years old and over have done in the past. Therefore I wish that this legislation will soon be presented to the House.

In concluding my remarks, I say that I am already convinced that certain government members will say that the proposal I just made would cost hundreds of millions of dollars to the federal Treasury. We know that, we are not stupid; we know that it is going to cost a lot. The important thing is to know that with that money, older people and young couples will be able to get the things they need.

But the problem does not lie there. If old age security pensions and family allowances were to be increased as I just proposed, will older people and young couples with children have enough money to buy whatever is required, to satisfy the needs of their family?

Mr. Chairman, in concluding my remarks, I should like to invite the hon. Minister of National Health and Welfare (Mr. Lalonde)—even if our standing orders do not allow it, he can take the liberty to do so since he is a minister of the Crown—to give his opinion on that question. A few minutes ago, I heard the words "Crown" and "Governor General". At least, I know the hon. minister of National Health and Welfare very well. I trust him and I hope that, during this session, he will be able to introduce a new bill to improve the lot of senior citizens, so that in 1973 the fact may be recognized that our old age security pensioners will become eligible at age 60 as well as their spouses even if they have not yet reached that age. This would still be more beneficial.

Therefore, I thank the House for listening to my comments. I have tried in a very objective way to thouroughly examine the problem and I have tried to avoid political partisanship, even though I wanted to make a few points at the beginning of my remarks. Therefore, I am convinced that, in the future, whenever somebody speaks about human misery and poverty in this House nobody will be accused of harboring any wrong intention and that we will all work together in order to find a solution to this problem and establish a just society in Canada.

Old Age Security Act

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we have all been sitting here tonight in the hope that this piece of legislation will pass. I think there are thousands of Canadians who are as interested in the passage of this legislation as in anything else we might do. The fact is, we propose to give to each of the elderly persons in this country an extra $13.39 every month. Our great interest in this sum of money, and the necessity for this increase, is an indication of the plight in which the aged find themselves.

Our rules do not allow us to do some quite ordinary things. It would seem to me there are a number of things we should collectively be able to do but which we have not been able to do tonight because of the rules governing this House. Every member who has been here for any length of time is aware that if we increase the old age pension by $13.39 we are really providing very little of substance on which a family may live. Everyone is aware of the difficulty which arises when a husband is two or three years older than his wife, and dependent entirely upon the old age pension plus the guaranteed income supplement for sustenance. That means we will now give them a total sum of $170.14.

• (2240)

The Creditistes have at least tried their best but have been ruled out of order, and I have no complaint about that. But in this House tonight is the minister responsible for this department. He could easily get into his car and go through the archaic procedure of making a journey to the Governor General and getting the recommendation changed so as to add one or two simple provisions to the bill, provisions that would be of immense benefit to the senior citizens of this country. But he sits there asking that the bill be passed.

Are not the elderly people of this country in a pitiful state when whether they get along or do not get along depends upon keeping this government in power in order to provide them with a measly $13.39, be they single or married? It seems to me that one of the things we could have done was to make an allowance for women who are 61, 62 or 63 and obviously are not capable of earning additional income. We have already established that they would be unable to earn very much anyway because of the ceiling. They have to get along on $170.14, and we call ourselves civilized. We hide behind the Governor General's recommendation. I think this is a disgrace and the government should not be the least bit proud.

Some hon. member asked what we would do. I am not very good at arithmetic, but we said that we would give $150 to the senior citizens of this country. If you add to that the guaranteed income supplement, this will bring them up to about $240. Multiplied by 12 this produces a yearly income of $2,880. Many of our senior citizens are now trying to get by on that income. The government has not suggested that it will place a freeze on the rents and shelter costs of these elderly people; nothing of that sort has been done, though it is within our power to do it.

We have agreed to sit extra hours tonight since no one knows whether this parliament will exist two or three days from now. We are making an extreme effort, and for what? For $13.39, an amount which quite often is divided between two people. Already the minister, who has some potential, is playing the game of "How cheaply can we get votes? How much do we have to spend? Let us divide this $13.39 between two people, and perhaps we will get both their votes".

I agree with another of the amendments which was proposed but ruled out of order because it did not meet the recommendation of the Governor General. Let us not kid ourselves about this; the Governor General has given no particular input to this resolution. This is a cabinet decision made out in the open, and it is strictly a question of: "How much can we get away with? What is the least that we can provide?" I say we should reduce the pensionable age to 60, and I suggest that this be done one year at a time, as we did in reducing the eligible age from 70 to 65. I also suggest 55 as the age of voluntary retirement.

I am also aware that the minister must give consideration to another matter. Although the proposal will cost the Canadian people money, it will be of considerable benefit to every citizen. The minister will either have to pay some attention to it, or he will find that the elderly people of this country, who now receive a small pittance through the Horizons for the Aged program, will have to investigate this problem of retirement. It seems to me that if we do not retire people at a younger age, that is, if we do not move the age down to 60 and then down to 55, we will not be able to provide jobs for people in the 25 to 30 age bracket. If we do this, we will pretty soon have to commence an educational program for retired people that will encourage them by the knowledge that when they retire they will not be placed on the shelf waiting to die. They will know there are things they can do in retirement, for themselves and for the country, which will not interfere with the economic structure of our nation.

We must be in very bad shape in this country; frankly, I believe we must be in very bad shape in this parliament if we cannot implement the ideas of, I am sure, all members of this House in respect of reducing the age at which people may retire. We must be in pretty bad shape if we cannot provide for the person who quite often is forced to depend upon the breadwinner who merely has a pension on which to live. We have not been able to come up with a solution to that problem.

The minister can sit there and talk to his colleagues or do whatever he likes, but it seems to me that we should be able to do something about some of these questions which have been ruled out of order tonight. If we do not do something about these matters pretty soon, we will not be fulfilling our duty. I do not intend to make a long speech. We seem to have been playing politics year after year in respect of the treatment of old age pensioners. This year they are to receive an increase of $13.39 a month. I have seen the figure at $6. I saw it at $10 in another election. At one period I saw it at $2 odd. I believe at another time they received $15 in a roundabout way. I do not think we should use the old age pensioners as an election tool. We should consciously face up to these problems which all members recognize.

I have a problem. I would like to know what other members tell a man who says he will have to leave his wife because they cannot get along on his old age pension. I am speaking of a man who says that he must leave his

wife so that she can apply for assistance from either the municipality or the provincial government. This reminds me of a story about a gentleman whose wife was terminally ill. He did not have enough money to pay the hospital bill or to buy drugs. But if she were living on welfare the drugs and hospital bills would be looked after. While she is dying of a terminal disease, he has to go to court to obtain special permission to divorce her so that she can be looked after in hospital. I do not know whether this happened in Canada, but the situation here is almost that bad.

I suggest that all hon. members know this problem. It is a problem which affects all of us. We receive letters from people saying they are trying to get along on one old age pension and one guaranteed income supplement. These people have no other income. Something should be done about this problem. We in this House should be ashamed of ourselves when we become involved in passing a bill to provide an old age pensioner with an additional $13.39 without considering some of the other problems which are immediate and affect a large number of our senior citizens.

We have not given any consideration to the question of rent control or shelter control for the elderly people. Many of them will find that the $13.39 will never accrue to them but will in fact go to the landlords who are collecting the rent. We have not given consideration to rent control or shelter control for the elderly people and many of them will find that the $13.39 will never accrue to them but will, in fact, go to the landlords who collect the rent.

• (2250)

Finally, I presume you, Mr. Speaker, will have to rule the amendment that is now before us out of order because of our rules. I do not intend to delay this bill, Mr. Speaker, because I am aware that the needs of our senior citizens are great and that this House must give consideration to the problem that is now developing. We are finding that more and more people working in our factories are living in a world of fantasy. They work every day thinking of the tourist camp they are going to buy or of the boat they are going to build in order to travel around the world. Their fantasy about retirement, however, never materializes. I think it is our responsibility to assist those who are about to retire and we should start fairly early, prior to their retirement. We should build for them an educational system which will enable them to cope with unemployment rather than to live in the fantasy which will obviously never materialize. The fact that so many of the people who retire live only a short period of time thereafter indicates their great need.

I hope that this House does continue sitting for some time, especially if I were sure that the Minister of National Health and Welfare would give some consideration to these serious problems that have been raised tonight and that have met with obstacles from our rules. There are immediate problems that are known to each member here and I doubt if any of us, in all conscience, can accept the pittance that is being offered without giving some consideration in the near future to the other problems that are just as immediate and just as important for a large segment of our senior citizen population in this nation.

Mr. Bell: Mr. Speaker, apparently there is disposition to finish this important item, and I am wondering if we could make a deal with those who feel they have to make a contribution at this late hour to cut their speeches to a bare minimum. We are worrying about the old people, but we should show some concern for our staff also.

Mr. Deputy Speaker: Perhaps I should have allowed the hon. member to make his point of order after I had read my decision on the point raised earlier this evening, otherwise I might fall into the category which draws his concern.

Earlier this evening the hon. member for Shefford (Mr. Rondeau) presented an amendment, and I will now make my ruling upon it. I wish to thank the hon. member for Lotbinière (Mr. Fortin) and the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) for their assistance to the Chair on the question that has given me considerable difficulty.

The bill before us contains a simple provision. It deals with the basic amount of pension under the provisions of the Old Age Security Act. It does seem to me that little in the bill goes beyond that point. I ask myself: what would the amendment do? I suggest that it proposes that a committee of the House consider the qualifications for a pension payable under the Old Age Security Act. The motion does not say that the amount of the pension should be altered. But the hon. member for Shefford in his amendment does propose the study of the conditions by which a person becomes eligible for the pension. It does seem to me that he is endeavouring to reach in behind the bill now before us for the purpose of amending the enabling legislation. Otherwise, for what purpose would the committee consider the formula? In doing so, his proposal is not really relevant to the provision in the bill before us, and it is a fundamental rule that the amendment must be relevant to the question.

I can understand his zeal in endeavouring to make a change in an important measure. However, as a servant of the House I can only deal with any question in accordance with what I believe to be the strictures laid down for the guidance of the Chair.

May I draw the attention of hon. members to part of citation 418 in Beauchesne's Fourth Edition. I read the second sentence which is as follows:

> All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill.

I re-emphasize that in my opinion the amendment is not relevant, but it is close to the line, and that has given me difficulty in deciding. With regret, I cannot put the amendment to the House.

Some hon. Members: Question.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I will be very brief. I wish to express my opinion which is shared by almost all Canadians as regards the bill before us, Bill C-147, an Act to amend the Old Age Security Act.

This bill, Mr. Speaker, is mainly designed to increase the basic old age security pension to a maximum of $100 a month.

We, in the Social Credit Party of Canada, have asked the government on several occasions to take steps in this direction. The answer that has been given to us for many years was that this measure might ruin Canada, bring about inflation, and so on.

It is strange to see that a minority government is less afraid of inflation and all this nonsense than a majority government, even if it is run by almost the same people.

On May 4, 1970, the majority Liberal government voted against an increase in old age security pensions. On October 21, 1971, we, in the Social Credit Party, introduced a motion with a view to lowering the eligibility age to 60 and increasing pensions. The Liberals recognized at that time that this motion was justified, but they did not do anything. They were a majority government and I believe that this was the main reason.

It is obvious that all members will vote for this bill. But I regret deeply that the government has not deemed advisable to include in this bill an overall reform of the present system in this area, a reform which was, in a way, underlined in today's order paper under notices of motions, pursuant to Standing Order 75(5).

Mr. Speaker, three members of the Social Credit Party have asked the government to consider today increasing the pension from $100 to $200, allowing every person of 60 or over to become eligible for the old age pension if desired, and every person whose spouse has reached 60 to get automatically a monthly $200 pension.

I am convinced that within a few years or within some time, if we of the Social Credit Party continue to apply pressure on the government on the matter, and if the population is aware of what is going on here, we will obtain the increase in the old age security pensions and the lowering of the eligibility age to 60. I greatly regret that the government goes for small doses, quietly, while trying to create for itself a small political capital each time it takes a turtle's step forward in this field.

Why wait, Mr. Speaker? Canadians at age 60 have paid enough taxes and have worked hard enough to get this inalienable right.

Many people aged 60 must now seek their living from provincial social welfare offices. It is a shame in a country as rich as ours.

Why increase old age pensions to only $100? Is Canada so poor? Are we short of wheat in Canada? No, Mr. Speaker, because western farmers are paid not to produce. Are we short of milk in Canada? No, Mr. Speaker, the farmers who exceed their milk quota are penalized. Are we short of manpower? No, Mr. Speaker, our unemployed have become legions. Are we short of natural resources? There are so many that the government thinks it should subsidize these resources, especially the companies exploiting them, to maintain prices.

For many years, at all levels of government, remedies to unemployment have been sought as well as solutions to reach a certain justice in distribution. At this stage of my speech, I would like to quote an extract from an editorial dealing with the subject as follows:

For the last five years, all levels of government, federal, provincial and municipal have done their utmost to find remedies to two evils which seem to be here to stay: inflation and unemployment.

[Mr. Beaudoin.]

In spite of the efforts of the authorities, the results are quite relative, particularly as far as unemployment is concerned: it is not unreasonable to think that the situation is not getting better because the means used are for the most part very short term ones.

However there is a suggestion that governments might do well to examine to alleviate unemployment, and it is to set the retirement age at 60 and to grant at that time all the social benefits presently linked to the pension at 65, that is to say, the full old age pension, the complete payment of the pension fund benefits and the pension the retired person contributed to when he was at an employer's service.

I guess some people will object that not all workers would accept with pleasure to retire at 60 because they are still able to work and the situation does not enable them to envisage a reduction of income.

To this serious objection, it must be answered that possible legislation in this direction could provide that retirement at 60 would be optional and not compulsory.

It is of course impossible to go into the particulars that such legislation could include, but it is certain that several jobs could be held by young workers who are only waiting for an opening to enter the labour market and on the other hand, those who would voluntarily retire at 60 could enjoy a much longer period of rest and leisure—

Mr. Speaker, like the editorial writer, I agree that a peson of 60, who has worked hard all his life and who wants to retire, should have the choice to get his old age security pension in order to leave his job and to rest while travelling or doing odd jobs in order to enjoy the last years of his life.

Mr. Speaker, I think we lack nothing in Canada or, rather, we lack a government which will one day succeed in establishing greater distributive justice. I think it's the only thing lacking, and I hope that the people will soon have had enough of those governments with temporary and inefficient solutions, of those governments that give sparingly to the little men, and that give generously to the big men, of those governments that force the older citizens to beg at the provincial welfare offices, and to beg day after day for a small allowance.

• (2300)

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. There was an understanding, not the kind that is signed, sealed and delivered, but a kind of understanding that this debate would not go beyond eleven o'clock. I wonder whether there could not now be a formal understanding that the question be put at 11.15. I am prepared to sit all night to get this bill through, but—

An hon. Member: We should vote before twelve.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we are still keeping to the agreement reached by the representatives of the four parties. As to us, we would like one of our colleagues to have the floor for five minutes. I know that the hon. member for Joliette (Mr. La Salle) has expressed his desire to speak; consequently, I suggest that around 11.15 or 11.20 the question could be put.

Mr. Speaker: The suggestion made by the hon. member for Winnipeg North Centre (Mr. Knowles) is to the effect that the House agree to a definite time.

[*English*]

The hon. member for Winnipeg North Centre (Mr. Knowles) has raised a very valid point, that there was an apparent understanding that the House would extend its sitting from ten o'clock until eleven o'clock. We have now gone beyond that time.

[*Translation*]

In other words, the suggestion of the hon. member for Winnipeg North Centre is to the effect that the House agree on the exact time at which the question will be put.

Does the House agree to proceed until 11.20?

Some hon. Members: Agreed.

[*English*]

Mr. Bell: Mr. Speaker, we are in agreement. But I would attach to that agreement, and I hope this does not confuse Your Honour, the condition that if there is a vote by any strange circumstance, it be deferred until tomorrow.

Some hon. Members: Agreed.

[*Translation*]

Mr. Speaker: The hon. member for St. John Lancaster (Mr. Bell) suggests that, if there is to be a vote, it be held tomorrow, or at some other time than tonight.

[*English*]

Is this agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Fortin: Agreed.

Mr. Speaker: The hon. member for Lotbinière and all other hon. members agree that at 11:20 the debate be interrupted by the Chair to put the question and if, by any chance, there should be a vote, that this vote be deferred.

For the time being, we shall have the pleasure of hearing the hon. member for Joliette.

Mr. Roch La Salle (Joliette): Mr. Speaker, in my opening remarks I should like to remind the house leaders of each party that when there is a proposed agreement between the parties on a time limit, the independent members should be called and advised accordingly.

The hon. member for Saint-Michel (Miss Bégin), I think, reminds me that a party is useful, but people forget that I nevertheless have been sent here by the electors of a riding, and this in a very definite and clear way. In view of this mandate, I fully intend to take advantage of my privileges to state that agreements are always reached among parties without my being advised.

I should like to remark, Mr. Speaker, that I for one cannot accept that business be adjourned at 11:20 or 11:21. Any way, I have a few words to say and so perhaps have other hon. members, but I remind those responsible in the various parties that when there is a discussion about agreeing on a time limit, they must not forget to contact the present speaker, because there are 18,000 voters who have asked him to come here and express their feelings.

Mr. Speaker—

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I think the hon. member should be reminded that there are two independent members in this House.

Mr. Speaker: It was assumed that the hon. member was speaking on behalf of both independent members.

• (2310)

[*Translation*]

Mr. La Salle: In my turn, I would say to the hon. member that I did say: the independents.

I want to make it clear that I have no trouble getting information from my colleague.

I would like to take advantage of this debate which, according to certain people, is going too far but which, to me, is a most serious and important debate. Contrary to those who blamed the Creditiste members for wasting the House's time, I commend them for fighting this battle today in the House and for emphasizing more than ever the importance of retirement at 60.

Even though it might be thought that there are few advantages outside a party, I have the advantage of being able to speak objectively and tonight I can congratulate my friends to my right, while others will only criticize them, because tonight they deserve it. They are raising an important question. They have decided to make the minister and this government aware of the importance of old age security at 60.

Besides, we all know that a great majority of hon. members would be in favour of old age security at 60 were it not for party lines. We should not go beyond that even though the principle is quite valid and justified.

Therefore, I would like also to commend the hon. member for Timiskaming (Mr. Peters) who admitted—

Mr. Jacques Olivier (Longueuil): Mr. Speaker, on a point of order.

Mr. Speaker: Order. I regret to interrupt the hon. member for Joliette but the hon. member for Longueuil is rising on a point of order.

Mr. Olivier: Mr. Speaker, the member for Joliette suggests that members who belong to a party have their arms twisted so that they will remain silent or represent their constituents unsatisfactorily. I wish to point out to the hon. member for Joliette that even those who belong to a party can speak and do so without creating a commotion.

Mr. La Salle: Mr. Speaker, I heard the remark of the hon. member for Longueuil and when he says that he can express his views as member of a party, I hope that he will do it on the very important bill now under consideration.

I would like to congratulate the member for Timiskaming who readily acknowledged the validity of the proposals made by the Social Credit Party of Canada today but which were rejected. I was pleased just the same to note that those suggestions were discussed as they contain some opinions which I have personally upheld in this

house for two or three years. Those are proposals which truly affect the day-to-day reality.

However, I should like to urge the hon. member for Timiskaming—I do not know if he can succeed—to convince his colleagues to act in the same direction. We did not get the same version from all the members of the New Democrat party and I must say that during the debate on the budget, I was very disappointed to see that the New Democratic party did not see fit to move an amendment that would have taken into account the feelings shown earlier by the member for Timiskaming. We must ask ourselves several questions. I think that all those who are in this House now know the answer.

Mr. Speaker, let us think a little about the 60-year-old people who, of course, are certainly interested to know the results of today's debate and want the bill to be passed. We know perfectly well that thousands of individuals in Canada look forward to old age security at 60. In my riding, on 12,000 letters which were sent out, I received about 6,000 answers 98 per cent of which were in favour of the implementation of old age security at 60.

Finally, a resolution of the central council of the Confederation of National Trade Unions also recommended to give the necessary support to the implementation of old age security at 60. However, I know that the minister recently announced that the operation of the policy on old age security at 60 could cost Canadians $1 billion.

It is easy to say what such a proposal can cost. It would perhaps be interesting, for example, to ask the minister how much the 550,000 unemployed are costing the country.

In view of the total cost of unemployment it is reasonable to hope that greater access to old age security pensions would create jobs for younger people who would occupy the positions left vacant by pensioners, and consequently the new measure would not cost Canadians $1 billion.

We recognize readily that a government has the responsibility to restore or create a suitable social climate. So the amendments which were moved and the discussions which took place in this House today call for old age pensions at 60. We have also discussed the possibility for someone who is not yet 60 to qualify for old age security if his spouse is eligible.

Finally, I think that those measures are pressing at this time. We know that such a policy would result in a decrease in unemployment because granting old age security pensions at the age of 64 would affect some 140,000 people.

It is reasonable to assume that the in the neighbourhood of 100,000 new jobs would be created if those people retired, and they could do it with a suitable pension. That would be a good solution in view of the failures we witnessed in the last five years in trying to curb unemployment. In fact, in spite of all the efforts that were made, including the capital injected in the economy, the rate of unemployment has tripled. I do not say that the government has done nothing. On the contrary, it has spent a lot of money and has tried to think up all kinds of ways of reducing the unemployment rate, but with totally unsatisfactory results.

[Mr. La Salle.]

I therefore think that a great many Canadians are demanding legislation aimed at giving the old age security pension at 60. Before proceeding to third reading of the bill before us, we should make a thorough study of this.

The effect of such a policy would be to restore the social climate, and I do not think I am exaggerating. Those pensioned at 60 would without a doubt be much happier people. That would be preferable by far to paying welfare allowances to young people, which is to give one's blessing to the decadence of a whole generation. I also believe workers would willingly contribute a part of their taxes to obtain old age security at 60. The security this would mean for the individual when he reaches the age 60 is, in my opinion, something which must definitely be taken into consideration.

This would also do away with the necessity for the worker's contribution to a pension fund because of the present lack of security. The 60-year old worker, because of technological changes, of modern machines, would welcome being given security at 60. We are quite aware of the fact that from 60 to 65 that individual works himself to death and often is incapacitated when he ceases to work. Therefore, I believe we have much to gain by supporting this policy and I am grateful to all those who were kind enough to encourage it and who brought up arguments to convince the minister that granting the old age security pension at 60 is a pressing matter.

Mr. Speaker, this bill is therefore decidedly inadequate. Of course, there is an increase for those who are 65, but the Speech from the Throne had led us to believe, unless I am mistaken, that many more Canadians would get the old age security pension in view of the amendments that would be introduced in the House. There will be more pensioners, naturally, because more Canadians will be 65 this year, but that is the only change. The Speech from the Throne had stirred hope amongst poeple of 60 and more. How many of them, in my riding and elsewhere, I am sure, fret and worry, asking: Is it possible, is it true that we will at long last get the old age security pension at 60?

• (2320)

So I take the liberty of asking again the minister to consider seriously providing old age security at 60 and also of blaming the opposition parties, because they could have forced the government to take action in that connection. I remember that the hon. member for Saint-Hyacinthe (Mr. Wagner) had made much of old age security at 60 during the last election campaign and I said that I would be very pleased to support him to the extent—

Mr. Speaker: I regret to have to interrupt the hon. member. I was under the impression that there was an agreement to put the question at 11.20. If there is no such agreement, we should adjourn the debate until tomorrow, and this is what I suggest to the hon. members. First, we agreed to proceed until 11 o'clock, and then until 11.20. If there is no agreement to that effect, the hon. member for Joliette having indicated earlier that he does not feel bound by the commitment made by the spokesmen for the various parties, I suggest that it would be suitable at this time to adjourn our proceedings.

Mr. La Salle: Mr. Speaker, I wish to move an amendment.

Mr. Speaker: I would suggest to hon. members that if the hon. member for Joliette wants to move an amendment, the debate of course will continue and it would be appropriate therefore that we adjourn proceedings.

[*English*]

Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It being after ten o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At 11.22 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, March 28, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

FINANCE

TABLING OF COMMUNIQUÉ OF COMMITTEE OF BOARD OF GOVERNORS OF INTERNATIONAL MONETARY FUND ON MONETARY REFORM AND RELATED ISSUES

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in accordance with Standing Order 41(2) I wish to table, in English and in French, the communiqué of the committee of the board of governors of the International Monetary Fund on international monetary reform and related issues.

Mr. Lambert (Edmonton West): Mr. Speaker, I rise on a point of order which I would say almost affects the privileges of the House. This is the second occasion within a week's time that the President of the Treasury Board and the Minister of Finance, who have represented Canada at a series of the most important international monetary conferences, have resorted to the use of Standing Order 41(2) to table communiqués that are very important so far as Canada is concerned rather than having the decency or, one might almost say, the courage to make a statement in the House with regard to Canada's attitude in these discussions so that representatives of the opposition parties could comment on these matters as they affect Canada. We now have to go to the Parliamentary Returns office to get a copy. I believe, Sir, that the least that should be done is for the communiqué to be printed as an appendix to *Hansard* so that all hon. members will have the text and the general public will be informed of it.

Mr. Speaker: I gather that this is a rather brief document and that there would be no technical difficulty in having it appended to *Hansard*. Is this the wish of the House?

Some hon. Members: Agreed.

[*Editor's note: For text of above communiqué, see Appendix A*]

INDUSTRY

TABLING OF REPORT AND PRESS RELEASE ON INQUIRY RESPECTING POLYESTER FILAMENT AND YARN

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I wish to lay on the table of the House copies of a report and press release, in both official languages, on an inquiry respecting polyester filament and yarn.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

PAYMENTS UNDER PUBLIC SERVICE PENSION ADJUSTMENT ACT OF 1959

Question No. 9—**Mr. Knowles (Winnipeg North Centre):**

1. In each year since the Public Service Pension Adjustment Act of 1959 was passed, how many persons have received payments thereunder?

2. In each of the above years, what was the total amount paid out under the said Act?

3. In each of the above years, what was the average amount paid under the said Act (a) to retired public servants (b) to widows (c) to others?

4. In each of the last five years, either calendar or financial, for which statistics are available, how many pensions under the Public Service Superannuation Act (a) to retired public servants (b) to widows of public servants or widows of retired public servants, have been discontinued because of the death of the superannuate?

Hon. C. M. Drury (President of the Treasury Board): 1. Number of persons who have received payments in each year since the Public Service Pension Adjustment Act of 1959 was passed.

Year	Number
1959-60	14,311
1960-61	13,885
1961-62	12,553
1962-63	11,709
1963-64	10,852
1964-65	10,077
1965-66	9,078
1966-67	8,162
1967-68	7,483
1968-69	6,860
1969-70	6,651
1970-71	6,474
1971-72	5,793

Order Paper Questions

2. Total amount paid out under the Public Service Pension Adjustment Act for each of the above years.

Year	Amount
	$
1959-60	3,112,231
1960-61	2,956,515
1961-62	2,817,263
1962-63	2,657,706
1963-64	2,504,503
1964-65	2,344,711
1965-66	2,236,212
1966-67	2,038,329
1967-68	1,905,478
1968-69	1,777,869
1969-70	1,641,304
1970-71	1,515,000
1971-72	1,368,879

3. Average amount paid out to:

Year	Retired Public Servants	Widows	Others
	$	$	$
1959-60	226.72	124.88	12.32
1960-61	225.43	124.42	11.79
1961-62	222.01	123.92	10.35
1962-63	220.66	123.59	10.06
1963-64	220.26	123.75	7.99
1964-65	217.94	123.08	6.19
1965-66	216.03	122.69	7.13
1966-67	212.52	122.64	5.93
1967-68	210.27	121.27	6.11
1968-69	208.19	119.21	4.56
1969-70	196.52	125.05	5.79
1970-71	184.83	127.87	
1971-72	177.51	130.19	

4. In each of the last five years, the number of pensions paid under the Public Service Superannuation Act which have been discontinued because of death.

(a) To Retired Public Servants		(b) To Widows	
1967-68	1,572	1967-68	503
1968-69	1,751	1968-69	514
1969-70	1,899	1969-70	508
1970-71	2,060	1970-71	577
1971-72	2,269	1971-72	588

RED ENSIGNS

Question No. 143—**Mr. Forrestall:**

1. (a) Do Members of the House of Commons qualify for receipt of a Red Ensign from the government for their personal use (b) do Members of the Canadian Senate so qualify (c) do Members of the Privy Council so qualify (d) do teachers of Canadian history in Canadian classrooms so qualify, if the intended use is in those classrooms (e) if the answers to any of the above parts are no for what reason?

[Mr. Drury.]

2. As of December 15, 1972, how many Red Ensigns were left in government stockpiles?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. (a) to (e) Approximately 3,000 letters and requests for Red Ensigns, were received during the past year by the Department of Public Works. Included among these were requests from Members of the House of Commons, of the Canadian Senate and of the Privy Council; as well there were requests from teachers and many others. A decision was taken that, in general, distribution would only be made in response to the requests made by, and on behalf of, recognized Veterans' organizations such as the Royal Canadian Legion and other officials institutions or associations. In addition requests from individuals deserving of special consideration were granted, such as Silver Cross Mothers, war amputees and others with disability pensions resulting from war service.

2. Five hundred and twenty-nine.

EMPLOYMENT OF E. MacCALLUM

Question No. 547—**Mr. Latulippe:**

1. During the fiscal year 1967-68, did the Department of External Affairs pay Mr. E. MacCallum for services rendered?

2. Was Mr. MacCallum a public servant?

3. What amount was he paid?

4. What was the nature of his services?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The Department of External Affairs employed a Miss E . MacCallum during the fiscal year in question.

2. No.

3. $2,100.

4. Preparing for publication State Papers relating to Canada's foreign policy.

EMPLOYMENT OF E. R. L. LLOYD

Question No. 550—**Mr. Latullippe:**

1. During the fiscal year 1967-68, did the Department of External Affairs pay Mr. E. R. L. Lloyd any amount in return for services?

2. Was Mr. Lloyd employed by the Public Service?

3. What amount was he paid?

4. What was the nature of his services?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The Department of External Affairs paid out a certain sum of money to Mrs. E. R. Lloyd during the fiscal year in question.

2. No.

3. Although the precise pay records are no longer available we can estimate her salary to have been approximately $2,751.

4. Mrs. Lloyd was retained as a secretary attached to the Canadian Agency before the Gut Dam International Arbitration Tribunal.

CANADIAN EMBASSIES AND DIPLOMATIC MISSIONS—ENTERTAINMENT EXPENSES

Question No. 701—**Mr. Stackhouse:**

How much was spent on entertainment by Canadian embassies and other diplomatic missions during 1971 and 1972?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the Department of External Affairs is concerned: During the fiscal year 1971/72 a total of $802,778 was spent by Canadian embassies and other posts abroad on official hospitality extended to promote Canadian government programs and policies. A total of $859,800 has been allocated for this purpose for fiscal year 1972/73, of which approximately $659,000 had been spent by the end of December 1972. In so far as Industry, Trade and Commerce is concerned: The Department of Industry, Trade and Commerce, primarily through Trade Commissioners posted abroad, expended a total of $383,513 to further the Department's trade development programs overseas during the fiscal year 1971/72, whereof $187,487 was expended in the period April 1 to December 31, 1971 and $196,026 was expended in the period January 1 to March 31, 1972. Reports for the period April 1, 1972 to December 31, 1972 indicate a nine month expenditure of $200,227 for the same purpose. In so far as the Department of Manpower and Immigration is concerned: During the fiscal year 1971-72 the Immigration Division spent $117,668 on official hospitality extended to promote Canadian government programs and policies abroad.

REJECTION OF OPPORTUNITIES FOR YOUTH PROJECTS

Question No. 732—**Mr. Marshall:**

1. Will the Secretary of State give priority to projects that had to be turned down last year because of lack of funds and, if so, does the Department hold on file projects from last year so that they may be given some priority consideration?

2. Will reasonable answers be given to students whose projects have been turned down?

Hon. James Hugh Faulkner (Secretary of State): 1. No. The Secretary of State will not give priority to projects which had to be turned down last year because of lack of funds nor does the Department hold on file project applications from last year.

2. A detailed explanation of the process used in the selection of Opportunities for Youth projects will be given to students whose projects have been turned down.

SUMMER GROUP TRAVEL PROGRAM

Question No. 734—**Mr. Marshall:**

Under the Group Travel Program is it the intention of the Secretary of State to give preference to young people who are from low income and geographically isolated areas and (a) if so, was this practice followed in the past (b) if not, for what reason?

Hon. James Hugh Faulkner (Secretary of State): Under the summer Group Travel Program, the Secretary of State gives preference to young people from low income and geographically isolated areas. (a) Yes. (b) Not applicable.

OPPORTUNITIES FOR YOUTH PROGRAM, NEWFOUNDLAND

Question No. 735—**Mr. Marshall:**

1. How many co-ordinators will be made available to assist the projects under the OFY Program in districts in Newfoundland?

2. Is this number considered sufficient and, if not, for what reason?

3. Will all Members of Parliament be notified or given information on approvals of OFY projects at the same time and, if not, for what reason?

Hon. James Hugh Faulkner (Secretary of State): 1. One co-ordinator is responsible for the Atlantic region. Five Project Officers are now available to assist projects throughout Newfoundland.

2. This number is considered sufficient.

3. Yes. All Members of Parliament will be informed as Opportunities for Youth projects are approved.

NATIONAL REVENUE—COST OF ADVERTISING NEW INCOME TAX FORM

Question No. 819—**Mr. Cossitt:**

1. What is the total amount being spent by the government in all media for advertisements explaining the new income tax return form?

2. What advertising agency is handling the placing of such advertisements?

3. What was the fee paid to Mr. Fred Davis for his appearances in certain of these advertisements?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: 1. $1,205,146.10.

2. Inter-Canada Advertising Agency Limited, 1350 Sherbrooke, West, Montreal.

3. Mr. Davis was employed by the advertising agency, not by the Department.

OPPORTUNITIES FOR YOUTH, 1972 PROJECTS

Question No. 852—**Mr. Lambert (Bellechasse):**

In 1972 (a) how many OFY projects were received by the Department of the Secretary of State (b) how many projects were approved (c) what is the breakdown by province (d) what was the amount approved for each province?

Hon. James Hugh Faulkner (Secretary of State): (a) Over 20,000 projects were submitted, (b) 3,041 projects were approved; (c) and (d):

Province	No. of Projects	Percent of Projects	Funds $	Percent of Funds
Newfoundland	145	4.8	1,259,901	4.1
P.E.I.	38	1.2	383,366	1.2
Nova Scotia	161	5.3	1,457,013	4.7
New Brunswick	134	4.4	1,159,916	3.7
Quebec	982	32.3	11,833,880	38.1
Ontario	740	28.3	7,000,688	22.6
Manitoba	144	4.7	1,380,563	4.5
Saskatchewan	116	3.8	1,225,824	4.0
Alberta	188	6.2	1,570,644	5.1

Order Paper Questions

Province	No. of Projects	Percent of Projects	Funds	Percent of Funds
			$	
N.W.T.	35	1.2	211,440	0.6
B.C. and Yukon	330	10.9	3,128,424	10.1
*National	28	0.9	410.037	1.3

*National projects are those which involve participation in more than one region in Canada.

LOCAL INITIATIVES PROGRAM

Question No. 948—**Mr. Leggatt:**

With respect to Vancouver Lower Mainland LIP Project Nos. 1558, 1559, 1560 and 1561, are any employees on the projects related to senior LIP officer Mr. Don Good and, if so, what are their names and relationship to Mr. Good?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Ronald Good and Donald Good (Jr.) are employed by project sponsor Maurice Muirhead on LIP project X 1561. These two young men are in fact sons of LIP Project Officer Don Good (Sr.) who is employed at the Vancouver Regional LIP office, located at 549 Howe Street in Vancouver. Ronald Good and Donald Good (Jr.) were registered clients at the New Westminster CMC prior to their employment with the project and were referred to the LIP project by the New Westminster CMC.

NATIONAL REVENUE—EXPENDITURES CONCERNING INCOME TAX FORMS "FOR 1972 IT'S NEW AND EASIER THAN IT LOOKS"

Question No. 968—**Mr. Diefenbaker:**

1. (a) How much has been expended to date (b) what are the estimated projected expenditures by the Department of National Revenue in its campaign concerning income tax forms entitled "For 1972 it's New and Easier than it Looks"?

2. Of such amounts, how much of the said expenditure was paid for advertising in (a) weekly (b) ethnic newspapers?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: 1. (a) $124,500; (b) $1,200,000.

2. (a) None; however, the estimated projected expenditure is $108,000; (b) The estimated projected expenditure is $23,500 of which $1,500 has already been paid.

INVESTMENT SAVINGS IN FINANCIAL INSTITUTIONS

Question No. 1,009—**Mr. Boisvert:**

What is the amount of savings by province, invested in financial institutions or other?

[*Translation*]

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Statistics Canada is concerned: Statistics Canada does not compile this information.

[Mr. Faulkner.]

[*English*]

DEPARTMENT OF ENVIRONMENT PERSONNEL

Question No. 1,045—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of the Environment?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of the Environment?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. The Department of the Environment was not established at this date.

2. N/A.

3. 9,712.

4. $18,000, 160; $19,000, 91; $20,000, 115; $21,000, 89; $22,000, 74; $23,000, 57; $24,000, 51; $25,000, 42; $26,000, 41; $27,000, 30; $28,000, 11; $29,000, 9; $28,000 to $35,000, 21.

DEPARTMENT OF ENERGY, MINES AND RESOURCES—ESTABLISHMENT AND SALARIES

Question No. 1,046—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of Energy, Mines and Resources?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of Energy, Mines and Resources?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): 1. Four thousand two hundred and seventy-two.

2. Four hundred and ninety-five. The number of employees earning more than $15,000 annually on January 31, 1970, distributed according to $1,000 intervals is as follows:

Salary interval	No. of employees
$	
15,000-15,999	120
16,000-16,999	67
17,000-17,999	101
18,000-18,999	63
19,000-19,999	34
20,000-20,999	39
21,000-21,999	23
22,000-22,999	6
23,000-23,999	11
24,000-24,999	14
25,000-25,999	5
26,000-26,999	8
27,000-27,999	nil
28,000-28,999	2
29,000-29,999	1
30,000-35,000	1

3. 3,024.

4. 433. The number of employees earning more than $18,000 annually on January 31, 1973 distributed according to $1,000 intervals is as follows:

Salary interval $	No. of employees
18,000-18,999	92
19,000-19,999	49
20,000-20,999	64
21,000-21,999	57
22,000-22,999	30
23,000-23,999	42
24,000-24,999	26
25,000-25,999	19
26,000-26,999	14
27,000-27,999	13
28,000-28,999	11
29,000-29,999	9
Salary interval $	No. of employees
25,000-31,000	2
28,000-35,000	4
40.000-45.000	1

DEPARTMENT OF EXTERNAL AFFAIRS—ESTABLISHMENT AND SALARIES

Question No. 1,086—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of External Affairs on (a) January 1, 1963 (b) January 1, 1973?

2. How many people in each of these years were receiving salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) over $20,000?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Full-time Employees:

	Under $10,000	$10,000-$20,000	Over $20,000	Total
January 1, 1963	1,176	327	13	1,516
January 1, 1973	1,768	699	284	2,751*

*Includes 170 employees integrated from other government departments April 1, 1971.

NATIONAL REVENUE—COST OF ADVERTISING NEW INCOME TAX FORMS

Question No. 1,173—**Mr. Bawden:**

1. What is the total cost of the advertisements explaining the new income tax form?

2. What is the cost breakdown between television, radio, newspaper and other media for the advertisements?

3. What was Mr. Fred Davis paid to appear in this advertising program?

4. What are the qualifications of Mr. Davis that entitle him to advise Canadians on filling out their tax forms?

5. What did the Department of National Revenue spend to advertise income tax forms in each of the past five years?

6. Does the Minister consider the expenditures to be directly proportioned to the complexity of the income tax form?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation is concerned: 1. $1,205,146.10, including $119,228.32 in production costs.

2. Television: $358,396.15; Radio: $181,640.80; Newspaper: $462,664; Other media: $83,216.83.

3. Mr. Davis was employed by the advertising agency, not by the department.

4. Since he is known nationally, Mr. Davis was chosen to add impact to the advertisements.

5. 1968-69: $350.210.35; 1969-70: $384,545.61; 1970-71: $352,792.17; 1971-72: $870,154.83; 1972-73: $1,205,146.10.

6. The increase in expenditures for the fiscal years 1971-72 and 1972-73 bear no relation to the nature of the new income tax form, which is simpler for most taxpayers than the previous one. An increase in advertising was considered desirable because of new legislation, new regulations and new forms.

UNEMPLOYMENT INSURANCE COMMISSION

Question No. 1,290—**Mr. Harney:**

1. What are the qualifications of the Chairman of the Unemployment Insurance Commission for the position he holds?

2. What are the relevant qualifications of the Commissioners for the positions they hold?

3. What are the ages, the dates of initial appointments and the salaries, respectively, of the above?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. The background data requested is in the nature of personal information which is not returnable with regard to individuals.

2. The background data requested is in the nature of personal information which is not returnable with regard to individuals.

3. Position	Name	Age	Date of Appointments	Salary $
Chairman	G. Cousineau	45	26-6-72	34,000-40,000
Commissioner	T. B. Ward	66	22-6-64	22,000-28,000
Commissioner	W. E. McBride	53	29-7-71	22,000-28,000

Order Paper Questions

*COST OF 1972 INCOME TAX FORMS

Question No. 1,420—**Mr. Knowles (Winnipeg North Centre):**

1. What has been the total cost of printing the 1972 income tax forms and the materials sent out therewith?

2. What has been the total cost of advertising, publicity and promotion in connection with the 1972 income tax forms?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, in so far as the Department of National Revenue, Taxation, is concerned the answer is: 1. The estimated total cost is $1,798,000.

2. $1,205,146.10.

*PHARMACEUTICAL EXPERIMENTS WITH PENITENTIARY INMATES

Question No. 1,490—**Mr. Howard:**

1. Have penitentiary inmates ever been used to test newly developed pharmaceuticals or for any other medical experimentation and, if so, what are the details thereof?

2. Are penitentiary inmates currently used to test newly developed pharmaceuticals or for any other medical experimentation and, if so, what are the details thereof?

Hon. Warren Allmand (Solicitor General): 1. The following medical experiments have, in the past, been carried out in Canadian penitentiaries: (a) In 1968 a study of the "Absorption of Aspirin" was carried out as a joint project by the Food and Drug Directorate and by a professor of pharmacology from Queens' University at Collins Bay Institution. (b) A trial of "Mogodon versus Placebo" was carried out at Joyceville Institution in December 1967. (c) A study on "Chromosonal Abnormalities" was conducted by Dr. G. D. Scott, Regional Psychiatrist, Ontario, in association with the Faculty of Medicine at Queen's University. (d) A study in "Psychopathy and Its Physiological Correlates" was conducted by Dr. D. Craigen, Director, Medical Services, in association with the Department of Psychology at the University of British Columbia. (e) A number of brief trials of various drugs were carried out in Archambault Institution by the Institute of Bio-Endocrinology in August 1971 and on six occasions during 1972. The number of inmates involved ranged from ten to 18. (f) In 1968 and again in 1972, Hoffman-La Roche, in co-operation with Dr. Harris, a physician employed by the penitentiary service, conducted studies on the blood levels of Valium and penicillin. On both occasions 20 inmates were involved. (g) A study on "Chromosonal Abnormalities" was conducted by Dr. Welch of Dalhousie University in 1969. In all of the above cases, the inmates' participation was on a completely voluntary basis and they were free to withdraw from the research at any time they wished. The inmates were well informed of the nature of the research in advance. Under no circumstances would authority be given for a procedure to be employed which would, in any way, be hazardous or detrimental to an inmate.

2. The only medical research currently being conducted is a study on "Chromosonal Abnormalities" in the Ontario region.

[Mr. MacGuigan.]

POST OFFICE DEPARTMENT—INSTALLATION OF NEW POSTAL CODE

Question No. 1,544—**Mr. Dinsdale:**

1. What is the estimated saving to the Post Office Department from the installation of the new postal code?

2. What are the reasons for the saving?

3. How many postal employees have been replaced by the automated system?

Hon. André Ouellet (Postmaster General): 1. Savings over 17 years, beginning in 1971, were estimated at $134,000,000 (discounted dollars).

2. Savings will occur as a result of changes in future hiring patterns and increased efficiency in the department.

3. None.

CBC—REVENUE FROM TELEVISION ADVERTISING

Question No. 1,659—**Mr. Knight:**

1. What were the annual revenues of the Canadian Broadcasting Corporation from television advertising for the years 1965 to 1972 inclusive?

2. In each year 1965 to 1972 inclusive, what percentage of that amount was spent by Kraft Foods from CBC television advertising?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. 1964-65, $30,537,000; 1965-66, $31,145,000; 1966-67, $32,939,000; 1967-68, $36,265,000; 1968-69, $37,548,000; 1969-70, $44,881,000; 1970-71, $42,851,000; 1971-72, $46,710,000.

2. It has not been customary to require the CBC to disclose amounts spent by individual advertisers since such information could adversely affect the Corporation in its business relationships.

LIST OF CANADIAN FORCES AND PUBLIC SERVICE ELECTORS

Question No. 1,684—**Mr. Nesdoly:**

Is a Member of Parliament entitled to obtain a list of the names and addresses of persons who were registered in his constituency and voted overseas in the last Federal Election and (a) if so (i) in what manner may the information be obtained (ii) to whom must the request be made (b) if not, for what reason?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Chief Electoral Officer as follows: It is assumed that the list referred to is the list of Canadian Forces and Public Service electors forwarded by the respective co-ordinating officers of the Departments of National Defence and External Affairs to the Chief Electoral Officer pursuant to the provisions of paragraph 37(5)(c) of the Special Voting Rules for onward transmission to returning officers during a federal election on accordance with the provisions of subsection 28(2) of the Canada Elections Act. The provisions of subsection 28(2) of the Act limit the availability of these lists to the period of a federal general election.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FEDERAL PENAL INSTITUTIONS SPECIAL LEAVE PROGRAM

Question No. 30—**Mr. Coates:**

1. How many inmates in federal penal institutions have participated in special leave programs in 1972 and what is the breakdown by institution across Canada?

2. Of those inmates involved in special leave programs how many have not honoured the conditions of the special leave and how many of those who broke the conditions of special leave also committed crimes?

Return tabled.

DEPARTMENT OF AGRICULTURE—EXPENDITURE FOR RESEARCH AND CONSULTING SERVICES

Question No. 137—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Department of Agriculture on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

PAPER MILLS

Question No. 641—**Mr. Fortin:**

1. How many paper plants are there in Canada and where are they located?

2. Since 1968, has the government paid any subsidies for (a) the expansion (b) the operation of paper mills in Canada?

3. How many plants have closed down (a) completely (b) partially?

4. How many workers have been laid off by paper mills in Canada since 1968 because (a) the plant was closed (b) production had diminished?

Return tabled.

NATIONAL FILM BOARD—SUBCONTRACT OF FILMS

Question No. 995—**Mr. Diefenbaker:**

1. (a) What volume of government film contracts was subcontracted to private film companies by the National Film Board for each of the past five years (b) what percentage of total NFB government contracts did this represent each year?

2. (a) Which were the ten largest private film companies who received these NFB subcontracts (b) what was the total amount of contracts they received in each year, and what percentage was this of the total?

3. Which of these subcontractors was not Canadian-owned?

4. (a) How many film projects does NFB currently have subcontracted to non-Canadian companies (b) what is the value of each of these contracts (c) on which of these contracts were there competitive bids from Canadian-owned companies?

Return tabled.

• (1410)

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, yesterday I asked the Minister of Indian Affairs and Northern Development to expedite personally the answer to question No. 1,392. I must now inform you, Mr. Speaker, that this matter is the subject of very serious charges that are being dealt with on the two national television networks and on radio. The charges are in all the papers of Canada and the facts cannot be brought out to meet these charges against the government on the selling off our oil and gas lands in the north and on the continental shelf until this question is answered and we have the facts. I should like to impress on the minister very strongly, that it is the duty of this government to give this factual information immediately so that we can see what the facts are in respect of these very serious charges.

Mr. Howard: Mr. Speaker, I too, would like to raise a point of order with respect to a number of questions standing in my name that have been on the order paper since January 16, two and a half months ago. Each asks for information about the action the government has taken with respect to specific recommendations in the report of the Royal Commission on the Status of Women, but not one question has been answered to date. Surely there should be a little more interest on the part of the government than to let these questions remain in limbo with no response whatever being given on the very important matter of the report of that royal commission. One can only conclude that the government has not done anything about of those recommendations.

Mr. Blenkarn: Mr. Speaker, I too rise on a point of order. On January 12 I asked the government for a complete analysis of the opportunities for youth programs conducted during 1972 in my riding. The government has had all sorts of opportunity to provide an answer. When the government is spending the money that it is on these programs, surely it should be able to supply members with an analysis of the results of the projects during 1972. This is a very serious matter, and I think it is important that the Minister do something about answering this question.

Mr. Nystrom: Mr. Speaker, on the same point of order, I placed question No. 110 on the order paper on January 4 regarding contracts to outside persons and organizations for research and development for the Canadian Radio-Television Commission. I seek your guidance, Mr. Speaker. I understand that the answer has been prepared, has been in the minister's office for more than two weeks and that he is sitting on it for political reasons.

MOTIONS FOR PAPERS

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 202 is acceptable to the government.

[*Translation*]

Mr. Speaker: Is it the pleasure of the House that notice of motion No. 202 be deemed to have been adopted?

Some hon. Members: Agreed.

[*English*]

COPY OF REPORT "ECONOMIC PROSPECTS FOR THE GOOSE BAY AREA"

Motion No. 202—**Mr. Rompkey:**

That an Order of the House do issue for a copy of the report entitled *Economic Prospects for the Goose Bay Area* prepared for the government by the Bureau of Management Consulting.

Motion agreed to.

Mr. Reid: Mr. Speaker, notices of motions for the production of papers Nos. 36, 37, 38, 135 and 188 are acceptable to the government subject to the usual reservation concerning confidential documents.

[*Translation*]

Mr. Speaker: Subject to the reservations and conditions mentioned by the Parliamentary Secretary, does the House agree that notices of motions Nos. 36, 37, 38, 135 and 188 be deemed to have been adopted?

Some hon. Members: Agreed.

[*English*]

COPY OF CORRESPONDENCE RELATING TO POTENTIAL PURCHASE OF FISH PROCESSING PLANTS, BRITISH COLUMBIA

Motion No. 36—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams or other documents exchanged between the government or any agency, branch or department thereof and any person or corporation involved in the processing of fish in British Columbia since January 1, 1969 relating to the potential purchase of any of the fish processing plants or fish canneries owned or operated by the said persons or corporations since January 1, 1969.

Motion agreed to.

COPY OF STUDIES RELATING TO POTENTIAL DEVELOPMENT OF FISH PROCESSING PLANT, BRITISH COLUMBIA

Motion No. 37—**Mr. Howard:**

That an Order of the House do issue for a copy of all studies, analyses and reports made by, or under contract with, any agency, branch or department of government since January 1, 1969 relating to the potential development of a fish processing plant along the northern coast of British Columbia whether or not those studies, analyses or reports relate to the involvement of the Pacific North Coast Native Co-operative.

Motion agreed to.

[Mr. Reid.]

POTENTIAL DEVELOPMENT OF FISH PROCESSING PLANT INVOLVING PACIFIC NORTH COAST NATIVE CO-OPERATIVE

Motion No. 38—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams or other documents exchanged between the government or any agency, branch or department thereof and any other person, group or organization since January 1, 1969 relating to the potential development of a fish processing plant along the northern coast of British Columbia involving the Pacific North Coast Native Co-operative.

Motion agreed to.

CORRESPONDENCE RELATING TO THE ERECTION OF THE CN-CP COMMUNICATIONS "NEEDLE"

Motion No. 135—**Mr. Stackhouse:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House all correspondence between the government and the Council of Metropolitan Toronto and the Council of the City of Toronto with respect to the erection of the CN-CP communications "Needle".

Motion agreed to.

NORTHERN PIPELINES TASK FORCE REPORT

Motion No. 188—**Mr. Rowland:**

That an Order of the House do issue for a copy of the report of the Task Force on Northern Pipelines.

Motion agreed to.

Mr. Reid: Mr. Speaker, would you be so kind as to call notices of motions Nos. 118 and 134.

REPORTS CONCERNING FINANCIAL FEASIBILITY OF PROPOSED MACKENZIE VALLEY PIPELINE

Motion No. 118—**Mr. Saltsman:**

That an Order of the House do issue for a copy of all reports prepared within or for the government concerning the financial feasibility of the proposed Mackenzie Valley pipeline.

Mr. Knowles (Winnipeg North Centre): Stand.

Mr. Speaker: The motion stands.

ROSS REPORT ON INTERNAL OPERATIONS OF THE EXPORT DEVELOPMENT CORPORATION

Motion No. 134—**Mr. Stevens:**

That an Order of the House do issue for a copy of the Ross Report on the internal operations of the Export Development Corporation.

Mr. Baldwin: Mr. Speaker, I move the motion on the hon. member's behalf.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no Ross Report on the internal operations of the Export Development Corporation. I would therefore ask the hon. member to kindly withdraw his motion.

Mr. Baldwin: Agreed.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

WHOLESALE PRICE INDEX INCREASE—INQUIRY AS TO NEW MEASURES TO CONTROL INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I address a question to the Prime Minister arising out of the escalating wholesale price increase, up nearly 2 per cent for the month of February alone and up 13.6 per cent in February, 1973, compared with February, 1972. Does the Prime Minister propose to take any new measures with regard to the control of inflation or does he simply intend to let these wholesale index increases work their way through to the consumer price index without any further action on his part?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have no policy statement to announce today on that matter.

TELECOMMUNICATION RATE INCREASES—REVIEW OF TRANSPORT COMMISSION DECISION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask a more specific question that relates to the increase in rates granted to CN-CP telecommunications, in one instance as high as 50 per cent. Does the Prime Minister intend to review this decision under the powers vested in the government under the National Transportation Act?

Mr. Trudeau: Mr. Speaker, I will have to consult with the Minister of Communications to establish whether the decision has been received by him and what action he recommends.

Mr. Stanfield: In view of the fact the Canadian Transport Commission presumably is related to the Department of Transport and the Minister of Transport, may I ask the Prime Minister whether he will consult with the Minister of Finance, the Minister of Communications and the Minister of Transport to see who has the responsibility in this matter and whether any action is going to be taken?

REQUEST FOR ASSURANCE TIGHT MONEY POLICY WILL NOT BE ADOPTED AND MEETING WITH PREMIERS TO DISCUSS PRICE CONTROLS

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In view of the warnings expressed in the report of the governor of the Bank of Canada, can the Prime Minister assure the House that the government will not resort to the type of tight money policy that has created the unacceptably high level of unemployment we now have? Also, because of the expectation of increased prices, as expressed by the governor of the bank, will the Prime Minister agree to meet with the premiers of the provinces to discuss ways and means of holding down prices?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the first question, I will ensure that the representations of the hon. member are communicated to the governor of the bank. On the second question, I would answer that the meeting of federal and provincial first ministers is being scheduled now and the items for discussion are being negotiated between the parties.

Mr. McGrath: My question was not for the governor of the Bank of Canada but for the Prime Minister. I ask the Prime Minister if he will reassure the House and the country, especially because of the failure of the government's regional development policy to operate in the framework of a tight money policy and because of the importance of this question, that notwithstanding the warnings of the governor of the Bank of Canada the government will not resort to a tight money policy?

Mr. Trudeau: Mr. Speaker, I am sure the hon. member appreciates that the governor of the bank has the primary responsibility for establishing monetary policy—

Some hon. Members: Oh, oh!

Mr. Hees: Not so, Pierre.

Mr. Trudeau: —and the recommendation of the hon. member has been noted.

Mr. Hees: The governor is responsible to the government, and you know it.

* * *

CONSUMER AFFAIRS

ALLEGED FAILURE OF MAC'S MILK LIMITED TO PASS ALONG TAX CUTS TO CONSUMERS—MONITORING MECHANISM

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Has the minister's department now investigated the alleged refusal by Mac's Milk Limited to pass on tax cut savings to consumers? Will he report to the House on the findings of this investigation?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have not yet received a complete report from my officials on the matter, but I noted that the report in one of the Toronto daily newspapers on which this question was based yesterday indicated that an official of the chain in question said that the directive to its stores had been countermanded. I will check to see if this is correct. After all, one would not want to see the Easter Bunny hampered in carrying out his appointed rounds.

• (1420)

Mr. Grier: Will the minister indicate to the House whether the bureau in his department to monitor whether tax cut savings are being passed on to consumers is now functioning and, if not, when it is expected to be?

Mr. Gray: Mr. Speaker, I said in the House yesterday that we were developing methods of ascertaining the effect of the tax cuts announced in the budget on prices of the goods in question. I am not yet in a position to give further information to the House on this matter.

Mr. Grier: In view of the fact that some details as to this bureau are already in the public domain, as reported in one Toronto paper yesterday, can the minister inform the House as to the bureau's proposed terms of reference, what steps will be taken to publicize violations, and what administrative or legislative action is contemplated by the minister to deal with violations?

Mr. Gray: Mr. Speaker, I simply want to say that the press report in question appears to be based on some misunderstanding of the information the reporter in question was given. Therefore I do not think a further reply by me to the hon. member's question would be relevant.

* * *

THE CANADIAN ECONOMY

POSSIBLE USE OF WAR MEASURES ACT TO ESTABLISH PRICE AND WAGE CONTROLS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is supplementary to that asked by my leader. I wish to ask the Minister of Justice if either he or his officials have been asked for or have given any advice, orally or in writing, with regard to use of the War Measures Act as a means of establishing controls on incomes and wages and prices?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker.

* * *

[*Translation*]

INDIAN AFFAIRS

NEW QUEBEC—ALLEGED POISONING OF CERTAIN INDIANS BY MERCURY CONTAMINATED FISH—REQUEST THAT MINISTER CONSULT WITH PROVINCIAL AUTHORITIES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Can he tell us if he has communicated with the Quebec authorities to find out the circumstances surrounding the death of one Indian and the sickness of several others recently in New Quebec?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not know what incident the hon. member is referring to, but I will inquire and report to him and to the House tomorrow or the following day.

[Mr. Gray.]

Mr. Laprise: Mr. Speaker, I have a supplementary question for the hon. Minister of the Environment. Could he inquire, at the same time as his colleague from Indian Affairs and Northern Development, with the Quebec authorities involved to find out if the poisoning of this person was due to fish poisoned by mercury?

* * *

[*English*]

CONSUMER AFFAIRS

STEEL PRICE INCREASES—REQUEST FOR INVESTIGATION

Mr. Don Blenkarn (Peel South): Mr. Speaker, I wish to address my question to the Minister of Consumer and Corporate Affairs. In view of the fact that, according to the Steel Company of Canada, steel prices will rise on April 2 by $6 a ton, the third increase in six months, is the minister prepared to investigate this price rise to determine if it is really justified?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, to the extent that the report in question may have some relevance to the existing combines law, I am certainly happy to draw this fact to the attention of the officials who administer that law.

Mr. Blenkarn: The industry is saying that the real reason for the price increase is the rise in scrap metal prices.

Mr. Speaker: Order, please. The hon. member should ask his question.

Mr. Blenkarn: Will the minister investigate scrap metal prices to determine if that is the true cause?

Mr. Gray: Mr. Speaker, I will draw this further comment of the hon. member to the attention of the officials administering the Combines Investigation Act.

* * *

FINANCE

TARIFF AND SALES TAX REDUCTIONS—MONITORING SYSTEM TO ENSURE CONSUMERS GET BENEFIT

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is for the Minister of Finance. On February 27, over a month ago, the minister indicated to me in the House that the government was setting up a monitoring system to ensure that tariff and sales tax reductions in the budget would be passed on to consumers. Would the minister tell the House whether the monitoring system to which he was referring is the same as the one to which the Minister of Consumer and Corporate Affairs has referred and, if so, can he give us more information than the other minister was prepared to give us today?

Hon. John N. Turner (Minister of Finance): The monitoring system to which my colleague referred is the monitoring system to which I referred.

UNEMPLOYMENT INSURANCE

BENEFIT CONTROL—ALLEGED STATEMENT BY REFEREES AS TO WITCH HUNT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. On Monday, March 19, I asked the minister whether he would investigate a charge by Murray Tate in connection with the government's crackdown on recipients of unemployment insurance benefits. He, along with others who incidentally are on the appeal board, said there was a witch hunt in progress and that the tactics used were terrifying people. Has the minister had an opportunity to investigate this matter through his officials and, if so, what report has he received?

Hon. Robert K. Andras (Minister of Manpower and Immigration): There were three such instances, I believe, referred to by the hon. member. The three gentlemen named have been contacted. The files have been brought to Ottawa, are under examination now and are being referred to the advisory committee which I mentioned in my earlier reply, but the report is not complete.

Mr. Alexander: Apparently Mr. Tate has stated that the crackdown has resulted in a rotten situation, since those who belong to unions and who report to their unions have been automatically disqualified. This point was brought home to the unemployment insurance officials so that it might be rectified immediately. Is the minister aware of this situation and, if so, what action does he contemplate in order to rectify it?

Mr. Andras: Mr. Speaker, all the comments made are being investigated. I would prefer to wait for the report of the advisory committee.

Mr. Alexander: I was under the impression that the advisory committee would have reported before this. Can the minister tell us when he expects to receive the report of the advisory committee and when it will subsequently be made available to the House?

Mr. Andras: I do not yet have a precise date but we are pressing for this information to be supplied as quickly as it can be done completely.

* * *

REGIONAL ECONOMIC EXPANSION

STATUS OF TEMBEC APPLICATION TO REOPEN MILL IN TÉMISCAMINGUE

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion arising out of the application by TEMBEC in Témiscamingue for a DREE grant to restart the plant that CIP closed down in that town. The application was made some five or six months ago. May I ask the minister what the present status of that application is?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, this has been, and continues to be, a very complex subject, but I can advise the hon. member and the House that I have now completed an evaluation and that a series of recommendations by me will be considered by appropriate ministers within a matter of days. I am hopeful I shall have a positive announcement to make before the end of next week.

Mr. Lewis: In view of the fact, according to information which has been sent to me, that the employees concerned have now exhausted their unemployment insurance entitlement and families are entirely without income, would the minister assure the House that a favourable decision on this application will be made and announced within days and that there will be no long delay such as we have experienced until now?

Mr. Jamieson: I am sure the hon. member will understand that I cannot give him an ironclad assurance that, in his words, a favourable decision will be made. I can assure him I will suggest that something along those lines be done. As to the second part of the question, yes, we will have an answer next week.

* * *

FINANCE

EXCHANGE RATES—INTERNATIONAL MONETARY FUND COMMITTEE MEETING—CANADIAN POSITION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Finance. It arises out of the communiqué which he tabled on motions. On page two this statement appears:

> Members of the committee recognized that exchange rates must be a matter for international concern and consultation and that in the reformed system the exchange rate regime should remain based on stable but adjustable par values.

Would the minister advise the House as to the nature of Canada's proposal with regard to a fixed rate on a rather more flexible basis? Is this the so-called creeping peg? Would the minister also tell us whether Canada was the country that insisted upon the advisability of periodic floating rates?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the communiqué goes on to say in the next sentence: "It was also recognized that floating rates could provide a useful technique in particular situations." Canada's position is that the ultimate objective of a new international monetary system should be stable but adjustable fixed rates but that in the meantime we should not ignore the recent situation in the world with a good part of the industrial complexes on a series of floats, and that we have to build up this system before achieving a new monetary order.

• (1430)

Mr. Lambert (Edmonton West): Mr. Speaker, I will refrain from saying that that is a mugwump position. However, there is the further statement that "there should be a strong presumption against the use of trade controls for balance of payments purposes." Would the minister advise the House whether United States Secretary of the Treasury Shultz subscribed to that statement, and did he

give any assurances to the minister about the impact of the rumoured legislation that is being brought forward by the U.S. administration regarding trade restrictions?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think it was the general view of the committee of 20, including the Secretary of the Treasury of the United States, that resort to trading controls would be an extreme measure to be used only in the event that currency controls did not work. So that is the position that the secretary must be presumed to have taken if he subscribed to the communiqué, which he did.

Mr. Lambert (Edmonton West): Mr. Speaker, I rise on a point of order. I do not want to ask any more supplementary questions, but the answers that the minister has given give rise to a whole series of supplementary questions and point up the bankruptcy of the gesture made by the minister at the beginning of the session this afternoon. We should have had an explanation by the minister and been given the opportunity to comment on so important a subject.

* * *

IMMIGRATION

IMPENDING DEPORTATION OF TARA SINGH GILL—REQUEST FOR INVESTIGATION BY MINISTER

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I sent notice of this question to the Minister of Manpower and Immigration because of the important principle at stake. In view of the fact that Tara Singh Gill, a visitor from East India, faces a deportation order tomorrow because he is being treated by immigration officials in Edmonton in a manner that does not reflect the compassionate policy the minister said would be followed with respect to visitors who came to Canada prior to November 3, will the minister personally examine the facts of this case and rule that this man become eligible for landed immigrant status?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member for giving me notice of the question. I have not had an opportunity to review the case but I will do so. I will ask for a report forthwith. I cannot, of course give any guarantee or indication of the outcome of the review, but I will be pleased to inform the hon. member of the result as soon as I can determine it.

Mr. Roche: On March 1 I asked the minister whether he would assure the House that his compassionate policy was being communicated to his regional officials. Today I sent the minister conclusive evidence that that compassionate policy has not been communicated or is certainly not being followed. I ask this question since this man is facing a deportation order tomorrow, and I do not know how many others who may similarly qualify under this compassionate policy are facing deportation orders. Canada may very well be in the process of losing people who might make a positive contribution to the country.

Some hon. Members: Hear, hear!

[Mr. Lambert (Edmonton West).]

Mr. Speaker: Order, please. That is, of course, a representation rather than a question.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

POSSIBLE RELEASE OF THREE UNION PRESIDENTS FROM JAIL—DISCUSSION WITH QUEBEC MINISTER

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I have a question for the hon. Minister of Justice.

Can he tell the House if he has consulted his Quebec opposite about the possible release from prison of the presidents of the three labour organizations in Quebec?

[*English*]

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker, we have not been in touch regarding that matter.

* * *

BUSINESS OF THE HOUSE

INQUIRY AS TO WHEN SECOND READING OF BILL TO AMEND BROADCASTING ACT WILL BE CALLED

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Secretary of State. Can the minister give any indication when my Bill C-143, an act to amend the Broadcasting Act, will receive second reading, as school boards across Canada have been patiently waiting for some action on this problem? Or does the government have any alternative proposal?

Hon. James Hugh Faulkner (Secretary of State): I will discuss that matter with the House leader, Mr. Speaker.

Mr. Speaker: The hon. member for York-Sunbury.

* * *

REGIONAL ECONOMIC EXPANSION

ATLANTIC CANADA—REQUEST FOR MASSIVE CAPITAL INVESTMENT IN LARGE INFRASTRUCTURES

Mr. J. Robert Howie (York-Sunbury): Thank you, Mr. Speaker. I am glad I wore my red suit. My question is for the Minister of Regional Economic Expansion. In view of the fact that present infrastructures and incentive grants to Atlantic Canada have failed to solve the chronic problem of regional disparity, would the minister consider bringing before the House a program of massive capital investment in large infrastructures, such as the Prince Edward Island causeway or the proposal regarding a corridor road from McAdam, New Brunswick, to Sherbrooke, Quebec, as one measure to deal with this problem?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I think it is perfectly obvious that I cannot answer the question in detail now. However, I understand that the committee was established last night and I shall be appearing before it within the next

two or three weeks. I would be glad to give the hon. member an answer at that time.

* * *

INCOME TAX

INCORRECT RETURNS PREPARED BY PRIVATE TAX CONSULTANT OFFICES—REQUEST FOR INVESTIGATION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of National Revenue. In view of the fact a recent study showed that 11 tax offices offering assistance to taxpayers for a fee in filing their income tax returns produced 11 different results from the same facts, would the minister inform the House whether his department is carrying out an investigation into this situation or has he any proposals to make to the House?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, the hon. member is referring to tax consultants' services. Returns coming from such services are watched to try to ensure that there is not a pattern of inaccuracy or unfairness to the taxpayer. We shall continue to watch these returns and take such action as we can in order to make sure that taxpayers receive every benefit from the Income Tax Act.

Mr. Knight: Mr. Speaker, I have a supplementary question for the minister in charge of consumer affairs. In view of the national presence of some of these outfits like H. & R. Block, can the minister say whether his department is investigating the situation I have referred to in view of the fees charged taxpayers for the assistance that is given?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, this is something that perhaps could be looked into under the misleading advertising provisions. I would be happy to take note of the hon. member's question and pursue the matter further.

SUGGESTED SENDING OF ADVERTISING MATERIAL TO PRIVATE TAX CONSULTANT FIRMS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. If 11 different opinions can be given by various officials across Canada appointed for the purpose of simplifying income tax forms and ensuring that ordinary Canadians understand them, in view of the fact that the minister's department has an advertising program costing $1,200,000 concerning income tax forms for 1972 entitled "It's new and easier than it looks", would he send copies of this advertising to those officials?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I think the right hon. gentleman has misunderstood the previous question.

Mr. Diefenbaker: No, I have not.

Mr. Stanbury: It was not officials but private tax consulting services which were the subject of the previous question.

Mr. Diefenbaker: Mr. Speaker, if these people who are versed in income tax forms can give 11 different opinions and ideas, does the minister not think that something more should be done to let the Canadian people know for 1972 that "it's easier than it looks"?

Mr. Stanbury: Mr. Speaker, we have already extended the advertising program along the lines suggested by the right hon. gentleman, and I was glad to have his endorsation of the program and his suggestion that it be extended to the weekly newspapers as I had already asked my officials to do. We will see whether there is any additional aid we can give the tax consulting services, but I do not think we can vouch for their services, particularly when some seem to have hired a good many extra people who perhaps have not received as good a training as they might have been given. Nevertheless, I am glad to see in the article, cited by the hon. member who asked the previous question that the district taxation office was able to confirm the calculation pretty much as the reporter had made it, and the reporter concluded that is someone followed the guide he could do it quite well by himself.

• (1440)

Mr. Speaker: Order, please. There are a number of members seeking an opportunity to ask supplementary questions. I wonder if we might not try to go to a different subject for a few minutes and return to the matter later.

* * *

[*Translation*]

AGRICULTURE

MEASURES TO ALLEVIATE SHORTAGE OF VETERINARIANS—FINANCIAL ASSISTANCE TO SAINT-HYACINTHE COLLEGE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the Minister of Agriculture, of which I have given him notice.

Further to my representations to the minister concerning the serious problem of the Saint-Hyacinthe College of Veterinary Medicine, would the minister have an encouraging report to bring forward here today so that the desirable progress of that school may become financially possible?

[*English*]

Mr. Speaker: If the minister can reply briefly to the question he will be allowed to do so, but generally speaking I have the impression this is the kind of question that could be considered at the time of adjournment. Certainly the minister may reply briefly to the hon. member's question.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have been authorized by the government to enter into deliberations with my provincial counterparts in Quebec, Ontario and Saskatchewan to discuss the enlargement of veterinary colleges.

Oral Questions

FINANCE

RESERVE FUND HOLDINGS OF UNITED STATES DOLLARS—POSSIBILITY OF GUARANTEED EXCHANGE RATE OR DIVERSIFICATION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is supplementary to one asked by the hon. member for Edmonton West of the Minister of Finance. Two or three weeks ago before the minister went to Paris he said he would be talking to Secretary of the Treasury Shultz about many things, including exchange guarantees. I wonder whether in Paris or Washington the minister had conservations with Secretary Shultz on either exchange guarantees or a policy of diversification in respect of our unusually high holdings of U.S. dollars?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I had several conversations with Secretary Shultz, as the hon. member can appreciate, but at no time did we get into specifics on exchange guarantees because neither of us at the moment perceives that to be necessary.

* * *

INDUSTRY

LUMBER—POSSIBILITY OF RESTRICTIONS ON PRICES AND EXPORTS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the Minister of Industry, Trade and Commerce. In view of the great shortage of lumber in Canada with resulting high prices and the impact on young Canadian families trying to build homes, is the minister considering the application of the same restrictions on prices and exports that he applied in respect of the copper industry in 1969 in order to meet a similar situation?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, in answer to a rather similar question asked last week I mentioned that the government has put on export controls under the Export and Import Permits Act in respect of the export of logs and that in fact we are not an exporter of logs but a net importer. In that sense we have been helping to build the supply side for the use of lumber and plywood in Canada.

Mr. Speaker: The hon. member for Sarnia-Lambton.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I rise on a point of order, Mr. Speaker.

Mr. Speaker: I apologize to the hon. member for Sarnia-Lambton, but the hon. member for Qu'Appelle-Moose Mountain rises on a point of order. The hon. member will be recognized in a moment.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my point of order is that I asked a question about lumber and I got an answer about logs, and while there is a relationship—

Some hon. Members: Oh, oh!

[Mr. Whelan.]

Mr. Hamilton (Qu'Appelle-Moose Mountain): I know that under the rules the minister does not have to answer, but perhaps I might be allowed to ask the question again in respect of lumber. Has he considered applying the same restrictions on prices and on exports of lumber as he did in respect of the copper industry in 1969?

Mr. Gillespie: No, Mr. Speaker, but the question of building materials in Canada is one that we have under constant review.

* * *

BILINGUALISM

SUGGESTED PROVISION OF FUNDS TO ASSIST ONTARIO FRENCH-SPEAKING STUDENTS

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, my question, you will be interested to know, is prompted by the plight of French-speaking students in Cornwall and the unhappy situation there. In view of the funds to be made available to enable English-speaking students to learn the French language, is there any likelihood that the Secretary of State will make available to areas in Ontario like Cornwall funds to enable French-speaking students to learn and improve upon their knowledge of the French language?

Some hon. Members: Oh, oh!

Hon. James Hugh Faulkner (Secretary of State): As you know, Mr. Speaker, I am very sympathetic toward this problem.

Mr. Hees: Otherwise he wouldn't have asked you the question.

Mr. Faulkner: I would point out to the hon. member that, if my memory serves me correctly, between January, 1970, and March, 1972, the federal government has made available to the province of Ontario something like $18 million in support of French language instruction, plus another $5 million in support of administration.

Mr. Cullen: In view of that response, Mr. Speaker, are representations being made to the Minister of Education of Ontario to ensure that federal funds are in fact used to encourage bilingual education in areas like Cornwall?

Some hon. Members: Order paper!

[*Translation*]

NEW BRUNSWICK—REQUEST FOR INVESTIGATION OF USE OF FEDERAL GRANTS

Mr. Eymard Corbin (Madawaska-Victoria): I have a supplementary, Mr. Speaker.

Is the Secretary of State satisfied with the use that the provinces are making of subsidies from the federal government for promoting and developing the teaching of the minority's official language in the provinces? If not, does he intend to make a thorough investigation of the use that is made of this money, especially in New Brunswick,

where it is difficult to find out to what use these millions of dollars are put?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, perhaps I might respond to the two questions. I am not sure that the difficulty in Cornwall is at the level of the Minister of Education of Ontario. On the question of the use of funds, although it is difficult to generalize in this regard, we do plan to meet shortly with the provinces to go over the whole bilingualism support program. Because I have received representations of this kind, I plan to discuss this matter with the ministers of education from the provinces. I know they are concerned about it as well.

* * *

NATIONAL DEFENCE

OPPORTUNITY FOR WOMEN IN FORCES TO UPGRADE EDUCATION BY ATTENDING SERVICE COLLEGES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question of the Minister of National Defence. He announced very recently in a press release that men serving in the armed forces would in future be able to enroll at our service colleges under the university training plan to provide academic upgrading to degree standing. Will this same opportunity also be available to women serving in our armed forces and, if not, will he explain this discrimination?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I answered a similar question from the hon. member a few weeks ago. The answer is no.

Mr. Hees: On a point of order, Mr. Speaker, this is not at all the same question I asked the minister some time ago. At that time I asked whether the service colleges would be opened up to provide the same opportunities to young women as to young men. This is a different question which relates to a press release issued last week. It has nothing to do with my former question. Would the minister answer this question now?

Some hon. Members: Oh, oh!

Mr. Hees: May I then direct a supplementary question to the Prime Minister?

Mr. Speaker: The hon. member may ask a supplementary question and then we will attempt to go to the next subject.

Mr. Hees: Mr. Speaker, as it is obvious this government has decided to follow a practice of discrimination, I should like to ask the Prime Minister whether he sent forward a nomination for an Academy Award for the hon. member for York South as best supporting actor?

Some hon. Members: Oh, oh!

AIRPORTS

OTTAWA INTERNATIONAL—SECURITY CHECK-OUT OF AIR CANADA PASSENGERS AND NOT OTHERS

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is addressed to the Minister of Transport. I should like him to explain to the House why at the Ottawa International Airport passengers boarding Air Canada planes must go through a security check-out while just 15 feet away passengers boarding another commercial airline are not required to go through the same kind of security check-out?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, a couple of months ago I met with all the airlines and asked them to implement some security measures while we were amending the Aeronautics Act. It is on a voluntary basis at the moment and that is why some do and others do not. As soon as the act is amended by the House it will be compulsory for all airlines.

An hon. Member: Bring it forward.

* * *

• (1450)

INDIAN AFFAIRS

ABORIGINAL RIGHTS—ESTABLISHMENT OF FEDERAL NEGOTIATING TEAM TO MEET YUKON NATIVE BROTHERHOOD REPRESENTATIVES

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

An hon. Member: Sock it to him.

Some hon. Members: Oh, oh!

Miss MacDonald (Kingston and the Islands): I would like to ask him this question.

An hon. Member: Ten o'clock.

Miss MacDonald (Kingston and the Islands): Since it has already been made an order of the House, can the minister say if the federal negotiating team has been set up to meet with the negotiating team of the Yukon Native Brotherhood with respect to their brief submitted to the Prime Minister on February 14?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have not yet completed the formation of the federal group that will meet the representatives of the Yukon Indians. I hope to be able to announce the names of the group's members at the beginning of next week, for I do not think I shall be able to do so by the end of this week.

[*English*]

Miss MacDonald (Kingston and the Islands): Since the minister mentioned next week, does he recall that the order requires that this negotiating team should commence its work before March 31 of this year?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I agree that there is a resolution of the House to that effect, but the House will understand that it is important to make up the best group possible. I apologize to the House for having to take a few extra days to do it, but I prefer to do my job as well as I can.

[*English*]

Mr. Speaker: The hon. member for Gander-Twillingate has a supplementary question to the previous question.

* * *

AIR CANADA

RESERVATION SERVICE FOR OTTAWA RESIDENTS—TRANSFER TO OTTAWA AIRPORT FROM MONTREAL

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Transport and concerns Air Canada. Can the minister confirm that Air Canada has plans to transfer part of the company's information service to the Ottawa international airport and, if so, when will this take place?

Hon. Jean Marchand (Minister of Transport): I have not been personally informed, Mr. Speaker. I spoke to the president of Air Canada on this matter but I do not know whether they have immediate plans for relocating the service.

* * *

AIRPORTS

PROVISION OF SUFFICIENT SPACE AND PROPER ORGANIZATION FOR SECURITY CHECK-OUTS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have a question for the Minister of Transport which is supplementary to the question asked by the hon. member for Brant. What plans are in hand to establish space and proper organization within airports so that security inspections can be properly carried out with some comfort for passengers?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I answered the question just a few minutes ago. As the hon. member knows, the bill to amend the Aeronautics Act will be before the House very soon. At that time we will have to work out with the airport authorities and the airline companies how we are going to implement the new act. The only authority there is now rests with the airlines themselves and not with the airport authority. We have no legal authority to carry out these inspections. In the meantime we have to rely on the right of the airlines to accept or refuse passengers on the basis of the private contracts they have with passengers. This is why there is this kind of confusion.

[Miss MacDonald (Kingston and the Islands).]

[*Translation*]

TRANSPORT

ESTABLISHMENT OF MERCHANT MARINE—MINISTER'S POSITION

Mr. René Matte (Champlain): Mr. Speaker, I wish to ask a question of the Minister of Transport.

Will the minister soon take appropriate measures to establish a truly Canadian merchant navy?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, according to the Menzies report, in order for Canada to have a merchant navy, not only would huge subsidies have to be granted but we would have to have our ships built abroad. This does not exclude the creation of a merchant navy, but it means that other ways will have to be found to achieve this aim, which I would like to make possible, if ever it is indicated it is profitable.

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I have a supplementary question.

Mr. Speaker: I give the floor to the hon. member for Drummond for a supplementary question.

Mr. Boisvert: Could the Minister of Transport tell us the impact on present unemployment rate of the establishment of a merchant navy?

Mr. Marchand (Langelier): Mr. Speaker, this question is hypothetical.

* * *

[*English*]

INCOME TAX

DELAY IN MAKING REFUNDS TO THOSE OVER 65, THE BLIND, DISABLED AND STUDENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. Now that the government has given a good deal of advice to Canadians on how to fill out their 1972 tax returns, has the Prime Minister any advice to give to those Canadians over 65, to students, the blind and the disabled who have applied for refunds in respect of 1972 income but whose applications cannot be processed because the legislation which was supposed to be retroactive to January 1, 1972, has not been passed? Has the Prime Minister any advice to give to those poor unfortunate Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, that they will be obtaining relief when the tax measure is passed with the support, I am sure, of all parties in the House. That poor, unfortunate condition described by the Leader of the Opposition will then be relieved thanks to the government's measure.

Mr. Stanfield: It's a poor way to run the country.

[*Later:*]

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, my question is supplementary to that of the Leader of the Opposition. I should like to ask the Minister of Finance whether or not these people who have paid their taxes on

time and are being denied a refund because the appropriate legislation has not been brought before us by the present government will be penalized, and would he consider paying them interest on the money the government is using?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I hope that question will become academic soon.

* * *

POST OFFICE

ACTION TO IMPROVE SERVICE IN LIGHT OF ALLEGED COMPLAINTS

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the Postmaster General. In view of complaints expressed across Canada concerning the handling of mail and resulting breakages and other damage, and with reference to the editorial that was sent to the Postmaster General by the Sylvan Lake *News*, what action does the Postmaster General intend to take to ensure that the people who pay the postage receive the service to which they are entitled?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I do not agree with the hon. member's remarks, in such general terms. If he has a definite complaint, I will be glad to inquire. But I want to assure him that our utmost efforts are aimed at improving the postal service and the implementation of the new postal code will be a great step in that direction.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

CONSULTATIONS BETWEEN MINISTER AND NOVA SCOTIA COUNTERPART ON CONSIDERATIONS INVOLVED IN PROPOSED CANSO PETROLEUM OR PETROCHEMICAL DEVELOPMENT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of the Environment. Have recent consultations taken place between the minister and his Nova Scotia counterpart on the environmental considerations implicit in the proposed petroleum or petrochemical development in the Strait of Canso area in Nova Scotia so as to avoid perhaps some of the difficulties that plagued this administration in the Come-By-Chance situation last year in Newfoundland?

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker, there have been consultations and we expect the results will be the same, namely, that our national standards will apply not only in Come-By-Chance but in the Strait of Canso area also.

FISHERIES

PROVISION OF AUDITED FINANCIAL STATEMENT FOR FRESHWATER FISH MARKETING CORPORATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of the Environment. In view of the time limit on this matter, has the minister as yet received the certified audited financial statement from the Auditor General or his staff covering the past year's operations of the Freshwater Fish Marketing Corporation.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, there have been some communications between the Auditor General's office and my deputy minister. I have not personally seen any of these communications.

Mr. Crouse: When the minister does receive this audited statement, will he table it according to the requirements of Standing Order 82(1)?

Mr. Davis: Yes, Mr. Speaker.

* * *

NATURAL RESOURCES

INQUIRY AS TO MEASURES TO INCREASE CANADIAN OWNERSHIP AND CONTROL OF PROJECTS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, this question is directed to the government House leader. In view of the promise made in the Speech from the Throne that the government would introduce measures to increase Canadian participation in ownership and control of resource projects, would the minister inform the House how soon we can expect such measures?

• (1500)

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, the Minister of Industry, Trade and Commerce will be introducing a related measure this afternoon and probably he will have more to say on this subject.

Mr. Speaker: The hon. member may ask a supplementary and then the Chair will recognize the hon. member for Perth-Wilmot for the last question.

Mr. Rodriguez: In view of the seriousness of conditions concerning our natural resources, is the government considering measures to place all the resources of Canada under the ownership of the people of Canada?

* * *

TAXATION

INCORPORATED FAMILY FARMS—SUGGESTED PROVISION OF CAPITAL GAINS TAX RELIEF

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Having regard to the years of encouragement given by this government, and indeed by governments at all levels, to the

incorporation of Canadian family farms, and in view of the fact that the budget has provided no capital gains tax relief for this particular type of family farm, what steps has the minister taken to correct this inequality?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in the first place, I do not agree with the premise of the question. I do not think there is the inequality that the hon. member says there is.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

OLD AGE SECURITY ACT

AMENDMENTS TO INCREASE BASIC PENSION AND TO CLARIFY BASE YEAR IN ESCALATION FORMULA

The House resumed, from Tuesday, March 27, consideration of the motion of Mr. Lalonde that Bill C-147, to amend the Old Age Security Act, be read the third time and do pass.

The Acting Speaker (Mr. Laniel): Order, please. I would invite hon. members who want to hold conversations to leave the chamber. The hon. member for Joliette (Mr. La Salle).

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to continue my remarks in the same vein as last night while overlooking, if possible, the jarring notes we heard towards the end of the sitting. May I point out to the House that my contribution is certainly not intended to waste the time of the House.

I believe that this law should take into account the importance of the problems, and I think it is normal and logical for any member to claim the maximum of services it can ensure to elderly people.

Therefore, if some people wanted to claim that yesterday some members tried to waste the time of the House, maybe they should think that other members or other political bodies have done the same in the past. A simple glance at *Hansard* for 1971-72, containing debates over Bill C-176, will reveal enough.

I say this without spite, Mr. Speaker, and further to what I said yesterday in the House I would like to add at once that I do not intend to repeat my arguments of yesterday about the age of eligibility for the old age security pension at age 60.

As I was saying when we adjourned, I intend to propose an amendment, and this is what I will do in a few moments.

Mr. Speaker, I should like to say why I shall introduce this amendment.

First, because I believe the legislation now before us is entirely inadequate since the proposed increase in the old age security pension does not even correspond to the

increase in food prices which the aged had to face last year, not to mention the cost of housing and several other essential services.

Second, on behalf of thousands of Canadians, it is my duty to severely condemn this government for its refusal to grant the old age security pension at 60, at least to spread it over a five year period.

Finally, I could move my amendment as a last effort to enable the opposition parties to force the government to introduce a legislation which would significantly the rate of reduce unemployment in Canada.

Yesterday I spoke about the effects that old age pensions at 60 would have, as other hon. members have done for several years. It is important that the people of Canada know the attitude of hon. members on that issue. I would also like, with this amendment, to allow the opposition parties to make their attitude known to the people of Canada.

We know the position of this government. They will perhaps be content with saying that this bill contains a sufficient number of interesting proposals in view of the amounts of money required. The proposed increases are valid but do not go far enough for the reasons I gave a while ago.

What is the position of the Progressive Conservative party? I think my amendment will allow it to express its views freely on the possibility of greatly improving that bill. I know for sure that some Progressive Conservative members are in favour of old age pensions at 60. I see the hon. member for Saint-Hyacinthe (Mr. Wagner) who has already made his views known and I would like to say to him while he is here that I was very pleased to hear him advocate old age security at 60 during the election campaign. As far as I am concerned, I promised my electors that I would support the hon. member for Saint-Hyacinthe when the occasion would arise and I will do so with great pleasure at any time.

I indeed hope that my amendment will be put to the vote and thus enable us to know the NDP's position. We are aware of the respect they have always shown for the aged, and we know what principles they have always upheld in the House. So I consider that I am giving the New Democrats an excellent opportunity today to support their principles and to honour their commitments. If they should fail to do so today, I should be most surprised, although they have changed their mind on some principles since the start of the session; I leave it to the people to judge their sincerity on this, the sincerity of those who, not so long ago, were so bravely making lists of all the things we ought to do for people in this category.

As for the Social Credit Party, I shall not speak for long about their position, since I think they demonstrated it very brilliantly yesterday. In fact, everything points to their supporting old age pensions at 60.

• (1510)

In conclusion, I will repeat certain words that my liberal friends know very well: Together, we can do something for society. Are we going to let such an opportunity escape us? I hope not. I for one am convinced that the request that I submit to the minister in favour of paying

the old age security pension at 60 is the perfect answer to an objective that not only the Liberals but all Canadians have at heart, that is a just society. So if we really aim at achieving this just society, I think that today is the time to improve the bill now before us.

Before introducing my amendment, in case this is necessary, Mr. Speaker, I should like to call immediately on the procedure experts of the opposition parties in order that it may be put. But, above all, let them not tell me that this would be delaying the implementation of this bill. It is common knowledge that the minister will always be able to make the bill effective as of April 1.

I believe that the argument brought forward by some hon. members last night that delaying passage of the bill means depriving senior citizens of an increase in benefits is absurd. We are quite aware that we can review the bill, that we should review it, and that providing old age security at age 60 would have tremendous consequences in our society, restoring a favourable social climate. Everyone knows that, the majority of hon. members are certain of it. Yet, it is a matter of a billion dollars.

I said last night and I repeat for the benefit of those who were not here, this billion dollars required for the provision of old age security at 60 would be compensated by the thousands of job opportunities for the young unemployed whom we are spoiling rotten by way of an ever increasing number of social measures.

Let us put things straight, let us give holidays to those who deserve them, and a job to those who are able to work in order to build up a much more flourishing Canada.

Once more, I suggest that this solution is much better than all the inventions the government has been trying over the last five years. We are well aware of the numerous injections which have been made in the economy, of the efforts which have been made. All these efforts have resulted in failure as regards unemployment and inflation. We suggest today—and I say "we" because I know that I will be seconded and have support—an amendment in order to reach a solution which might greatly reduce unemployment, which is the plague of this country. This solution might bring happiness for thousands of Canadians to whom we are responsible.

I move, seconded by the hon. member for Champlain, that Bill C-147, an Act to amend the Old Age Security Act, be not now read a third time, but that it be referred to the Standing Committee on Health, Welfare and Social Affairs in order that the minister responsible may appear again before the said committee for the purpose of amending the bill in such a way that it may better meet the needs of the people of Canada.

The Acting Speaker (Mr. Laniel): Order, please. I might make a few comments before reading the motion moved by the hon. member.

Of course, I understand that the Chair is not supposed to determine the steps that might be taken by the committee, but it still experiences some difficulty to determine what action the committee might take, in view of the recommendation tacked on to the motion and also in view of the very specific proposals included in the bill.

However, with regard to the amendment, the Chair can hardly refuse it even if from a procedural point of view it seems to be a nonentity, knowing in advance that it must be difficult, even if the House decided to accept the motion of the hon. member, despite the presence of the minister in committee, to allow the committee to amend the bill one way or another, unless this were to reduce the amount of the pensions.

At any rate, I intend to accept the amendment in its present form and I will put it to the House.

Mr. La Salle, seconded by Mr. Matte, moves:

That Bill C-147, an Act to amend the Old Age Security Act, be not now read a third time, but that it be referred to the Standing Committee on Health, Welfare and Social Affairs in order that the minister responsible may appear again before the said committee for the purpose of amending the bill in such a way that it may better meet the needs of the people of Canada.

Mr. La Salle: Mr. Speaker, do you accept my amendment?

The Acting Speaker (Mr. Laniel): Yes.

Mr. Roland Godin (Portneuf): Mr. Speaker, Bill C-147 may be considered as an interesting measure because it concerns quite a number of Canadians who have proved their eagerness at work and who have helped to make our country what it is today.

It must be recognized that the people concerned in Bill C-147 are not responsible for the increase in the cost of living. I also feel that it would be proper for them to benefit from a larger part of the Canadian production which increases each year.

Referring to the figures quoted by the Senate committee of inquiry on poverty, one finds that those who made $1,944 or less a year in 1970 lived in deprivation and poverty.

Today, by moving and passing Bill C-147 we will spare the old people hardships and we will place them on the threshold of poverty, on condition, however, that the two spouses are eligible for the pension and the guaranteed income supplement. Otherwise, married couples with only one eligible spouse or ineligible on account of their age will have to go on living in anguish, torment and hardships of all kinds.

As for couples with only one eligible spouse, as I have said, they will keep on depriving themselves since the social allowances doled out by Quebec are governed by quite unrealistic criteria.

Mr. Lachance: Mr. Speaker, I am raising a point of order.

The Acting Speaker (Mr. Laniel): Order. The hon. member for Lafontaine is rising on a point of order.

Mr. Lachance: Mr. Speaker, I do not mind the hon. member speaking on this bill. However, it seems to me that a motion has been moved and that it should now be discussed. And if nobody has anything to say about it, I think it should be put to the vote.

The Acting Speaker (Mr. Laniel): Order, please. I understand the concern of the hon. member for Lafontaine, but I really think that the hon. member for Portneuf was not straying too far from the subject of the bill, or at any rate was coming back to it. I do not think hon. members can be restricted to the matter of the bill's referral to committee.

The Chair may not, in my opinion, make this restriction as it would severely handicap members who might have comments or suggestions for the committee concerning the bill.

Mr. Godin: Thank you, Mr. Speaker. In fact, the hon. member for Joliette (Mr. La Salle) has proposed a motion for the bill to be sent back to committee so that the minister find ways of making it acceptable.

I do not wish to boast, but I have the impression that the advice I am about to give is calculated to help the minister in his work.

• (1520)

Mr. Speaker, I received yesterday a letter from a 61-year-old head of a family, disabled for 10 years, whose disability allowance was cut out when his wife became eligible for the old age security pension and the guaranteed income supplement. The same thing happens to disabled wives when the husband becomes eligible for the old age security pension.

This is why, Mr. Speaker, the motion moved by the hon. member for Bellechasse (Mr. Lambert) was most honest, because it applied to that group of individuals.

The hon. member for Lotbinière (Mr. Fortin) has introduced a motion to enable anyone reaching age 60 to receive the old age security pension. I congratulate the hon. member and tell him that his motion was very relevant since it dealt with people 60 and over. And there is a lot of people, Mr. Speaker, who have to live on the crumbs of the welfare plan. How many of those people are tired and incapable of any continued effort? How many are now out of a job and unable to get one because of their age? How many feel oppressed by the system because manpower is abundant and there is generally no room for people of 60 and over in the labour force?

There are people who have to leave their jobs because of exhaustion or fatigue and are further oppressed by another body of the government, the Unemployment Insurance Commission. In fact, if a worker leaves his job without reason he is not eligible for unemployment benefits. So, for the Unemployment Insurance Commission fatigue is not a valid reason. If someone loses his benefits because he left without a serious reason, he cannot even qualify for unemployment insurance by reason of illness because in the minds of the doctors of the Unemployment Insurance Commission fatigue is not an illness.

Mr. Speaker, it is with all that in mind that the hon. member for Lotbinière proposed his motion.

Every day I receive letters from people in my riding who tell me about their hardship. As recently as yesterday a lady who is 60 and whose husband is 62 wrote me that because they owned a small house the Quebec social welfare service was giving them only $119 a month. How can two people clothe themselves, feed themselves, heat a house, pay for taxes, power and telephone and all other bare necessities of life with such an allocation? The lady who wrote me lists all they have to pay every month. In their case, they have only $35 left each month to buy food.

[The Acting Speaker (Mr. Laniel).]

I admit these people have not yet reached the eligible age, as indicated in the bill, but they have the same requirements as those who are 65 years old and over.

The handicapped in Quebec are another group of people who are having a rough time. They include persons of both sexes and of all ages. There are those who were born with a handicap and others who have been disabled by illness or accident. No matter how old they were when disaster struck they are up against serious problems. Besides being disabled or handicapped, they often have to cope with poverty.

I have been informed of two rather unfortunate cases—involving two disabled people aged 45 and 52, living with their mothers. The older women having no income, the other two were granted a small disability allowance. But that allowance is now going to be reduced because their mothers, respectively aged 70 and 72, had an increase in pension last spring. Mr. Speaker, to my mind it is ridiculous for a handicapped person of 52 to have no other means of subsistence than what he can get from his 72-year old mother's pension.

That is why I moved, under the terms of Standing Order 75(5) the following motion:

> That Bill C-147, An Act to amend the Old Age Security Act be amended by adding the following subclause to Clause 1 immediately after line 9:
>
> "(2) Under the provisions of the present Act and regulations, a monthly pension may be paid to every handicapped person who has reached age 50.".

Mr. Speaker, the passage of this motion would be somewhat a harbinger of joy in the families afflicted with illness. A while ago, I referred to cases of disabled people who had to be supported by their parents, but we also know of cases of disabled persons who live at their children's expense.

Let us assume the case of a 60-year old disabled father, receiving social benefits and having one or two daughters who are working; every time his daughters get a weekly $5 increase, the father's allowance is proportionately reduced.

Mr. Speaker, strange things happen in the province of Quebec every time the Liberals come back to power.

I will give you another example. It is about a disabled family man, father of five living children. One of his children is working the year round while the other four go to school. Two of the latter find a job following the summer holidays. Therefore the investigator comes to the house with the result that the father loses his disability pension because there are three boys who can provide for the family's living.

Once back to school in September, the oldest of the boys, who is 20 years old, applies for a scholarship and a loan. And the Department of Education tells this student that he is not eligible either for the scholarship or for the loan because he worked during the summer months. He earned $750. This student appeals giving the reasons why he is broken: He was forced by the welfare bureau to earn a living for his parents. The Department of Education turns down those arguments, saying that the department cannot hold the young man responsible for the money he gave to his parents.

Mr. Speaker, to refuse a pension to the father of a family, the money earned by his children is taken into account. To refuse to one of these children a scholarship or a student's loan, the money he gives to his parents is not taken into account.

Mr. Speaker, I claim for all these reasons that it would seem fit that the age of eligibility for the old age security pension be lowered to age 50 for the handicapped.

Canadian production exceeds all our needs, so much so that the government has experts roaming the world to find markets for our surpluses. Before looking abroad and making gifts to strangers, Mr. Speaker, even if I am not formally opposed to that, I think it would be appropriate for the Canadian government to think first of the home market. And at that level, the handicapped and elderly persons of 60 or more could help us as consumers.

Mr. Speaker, if we establish measures generous enough for all these persons, the effects will soon be felt. In the end, if Canadian consumers, whatever their age, whatever their social position, have money to buy and obtain the necessities of life, the Canadian economy will fare that much better.

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, the Minister of National Health and Welfare (Mr. Lalonde) is proposing a minimum guaranteed income. I suggest that what is guaranteed in the minimum guaranteed income is that it will be a minimum. It's a small income, a tiny allowance, to allow older people to nibble for the rest of their lives.

I say, Mr. Speaker, that granting a minimum income of that sort is to show ingratitude towards the senior citizens of the country, towards those who have built our country, towards those who have made Canada the country we know today.

According to me, hon. members, particularly those on the government's side, feel no pride in presenting a bill like that one. I believe it is a shame for a country as rich as Canada, a country were opulence is overwhelming. It is a disgrace to see our senior citizens treated in this manner.

• (1530)

Mr. Speaker, a minimum monthly income of $100. means $3 a day. Can anyone live today on $3 a day taking into account the cost of living? The Committee on Food Prices is studying why the cost of living keeps on increasing. That committee is trying to determine why it costs so much to live. It seems that the government is unaware of the existence of such a committee and that inflation is rampant in Canada.

Recently I read in *Le Consommateur* that fish paid 17c/a pound to the fisherman was sold $1.70. Our senior citizens are now on a fish diet because it is all they can buy. We should consider the frightening increase of prices.

Other aspects should also be considered because, to speak as Yvon Deschamps, old people do think. You get the impression that because they are retired they have gone dead. They still have aspirations and ambitions even in retirement. They still make plans and have leisure time. It is impossible to have any recreation with $3 a day after you have paid for food and clothing. You stay home in the living room.

An hon. Member: You don't have a living.

Mr. Boisvert: Another aspect should be considered. In view of the proposed minimum income, which is truly a minimum, many old people will get an increase, if it can be called that, of $13 per month. Let us try to suggest to a union, an increase of $13 per month for the employees, and we shall see what happens.

Many older people, I say, will see their increase cancelled by the increases in prices or the deductions made by the people who run the homes. That means that they will not have one dollar more left by the end of the month.

An hon. Member: The provincial government is responsible for that state of affairs!

Mr. Boisvert: No matter whether it has to do with the provincial or the federal government, those people will have nothing left in their pockets. Whether the provincial or the federal level of government is responsible, the problem remains the same if one is poor.

There is also another side of the question to be considered: many older people have to pay about $3 per day for drugs. Perhaps the government party has forgotten it, but when one gets older, one is more prone to illness. On getting older, one is liable to be sick, has to be looked after by doctors, and thus incur extra expenses. It should not be forgotten that those people do not derive as many advantages from the medicare plans as the young people working in factories or in offices. They are left to their own devices; they have to pay for all the drugs prescribed by their doctors. Perhaps the government is learning it through me, for probably it did not know. I cannot see how, if it had been aware of it, it could have given such a pittance.

Now, it gives $100 a month; when one is dying, it is a little late. That is often the problem with those who retire. You sometimes see them, which is most unfortunate, retire and die shortly after. The government should not wait till they have died to give them a decent pension. The government must not be so mean, so greedy, as to wait till the old people die to start paying them a pension.

That is why the government will have to consider the possibility of reducing the age of eligibility for a pension while at the same time reducing unemployment. Yesterday, when the amendment was introduced, we were told that it would entail expenditures. It has never been proved that those expenditures would exceed the cost of unemployment insurance, because thousands of senior citizens of 60 to 65 get unemployment insurance benefits.

We find thousands who benefit from the guaranteed income of unemployment insurance for a few months. As for those who do not draw unemployment benefits, we find quite a few at welfare offices because with the present cost of living the scanty savings which they made while earning $30 or $40 weekly are not sufficient to meet their needs.

Looking over this House, I see several here who belong to that category; they do not seem to realize it, Mr. Speak-

er. A great many people between 60 and 65 years of age are ill, unable to earn their living and compelled to retire.

Evidently, some voluntarily retire for one reason or another, because their work was too strenuous or exacting. Every day we meet persons between 60 and 65 who have stopped working because they are unable to do a full day's work.

Those aged between 60 and 65 might benefit from a universal income plan, which would mean that one would not have to go down on one's knees for a small supplement. At present, rather than giving a reasonable pension, the government grants a supplement that tends to encourage laziness; if a person earns the slightest income, he loses as much in deductions. If a person receives income other than from his work, he loses the supplement. I think, Mr. Speaker, that the government is going to have to realize that there are people in difficulty in our society, there are people who have no help but themselves. Government members are going to have to pay a visit to their constituencies from time to time, to see what is happening there, to see that poverty exists and that there are poor people, that solutions must be found, that high finance and industry are not the only ones that need money, and, lastly, to see that there are human beings in Canada.

The government is soon going to have to grant a minimum survival income, the more so in view of the fast-rising cost of living, not a minimum income such as it now proposes, for that is just pulling the wool. It is misrepresenting its aims.

The guaranteed minimum income is a Social Credit term that the present government has borrowed and twisted into its own interpretation.

When the Social Credit Party speaks about the minimum guaranteed income, this is not what it is talking about, because this does not mean the same thing at all.

The government will have to come to the conclusion that the spouse will have to be considered as retired. The government imagines, it would seem, that when a person reaches age 65, his or her spouse did not age, that he or she has no right to live and that a person who receives $100 or more than his or her spouse will have the other one in continuous dependence. The government will have to lower the pension age—it has no choice—to reach a real system of minimum guaranteed income.

Maybe we will not win today, maybe the government members do not see clearly enough, but better late than never; better wait a year, if need be. But there is one thing I want to say to the elderly: we will never quit, we will never become discouraged and we will stop only when we have won.

• (1540)

[*English*]

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I must say at the outset that I do not propose to support the amendment moved by the hon. member for Joliette (Mr. La Salle) despite the long and enduring friendship which has existed between us. I take this position mainly because I do not see how reference of the bill back to committee at this point would bring any advantage to the old age pensioners or achieve anything of benefit to them.

[Mr. Boisvert.]

I have noted the pleas of one or two of the previous speakers for a larger old age pension. I can endorse their suggestion without question. Indeed, the objective of out party was a pension much higher than is proposed in this measure. But I do not know how it would be possible to obtain a larger amount by referring the matter back to committee. Motions would be required calling for the government to spend more money, and this does not usually happen in committee. Unless those who support this amendment can convince me that they can get more money by the reference they ask for, I will not support the motion. They have advanced no such arguments to this point.

I go back and forth to my constituency with some regularity—about every two weeks since the House came into session—and I know there are many senior cetizens who want this bill to pass and who want the extra benefits it will bring them. That is the situation. During the election, all candidates met with the senior citizens' organization in the city of Saskatoon. I do not know whether similar organizations exist in other towns and cities in constituencies whose members have already spoken on this amendment, but in Saskatoon there is an organization of considerable importance. The president is Mr. J. L. Phelps, a very capable man. Officers of that organization met with all the candidates and put forward, point by point, the desires and needs of their members. Those of us who attended came away with a good working knowledge of their objectives and needs.

Among those aims was a pension payable at age 60. I believe this should be a major objective of parliament, and I regret that so far we have been unable to attain it. There are some in my constituency, and indeed in Canada generally, who say it should be possible to provide a voluntary pension at age 55. Saskatoon and Biggar are both what we call CNR towns. The men who work on these railroads want the option of a pension at 55. We should be working toward this end.

Under the Local Initiatives Program, and so on, we are spending a great deal of money keeping our young people out of the labour force, or at least trying to provide for them since they cannot become full-time members of the labour force. I believe we should be placing the emphasis at the other end of the scale, so that those who have made a lifetime contribution to the wealth and well-being of this country can enjoy well earned retirement on the basis of the provision of adequate financial resources.

There are other areas of our pension program which urgently require consideration. Take the case of a breadwinner who is pensionable, but whose wife who is a few years younger that him cannot draw a pension since she has never been a member of the work force. In cases like this, real hardship is encountered. Then, again, an amendment is needed to make it possible for housewives to contribute to the Canada Pension Plan if they wish to do so, making it possible for them to receive the pension in their own right. As it is, only those who work and earn can contribute.

A further consideration is the position of farmers and self-employed businessmen who find that in a particular year their income falls below the $5,000 necessary before they can contribute to the plan to the maximum extent. As

a result, they find themselves unable to build up their pensions to the extent they wish. Progress is needed in all these areas, and I do not think it can be achieved by sending the bill back to committee. Rather, a complete program of revision is needed. At this point, the most we can do for our senior citizens is to pass the bill, such as it is, and make its benefits available as soon as possible.

I tell the House again that a great many senior citizens are waiting for the benefits of this legislation to become available in April. Anyone in this House who feels this is not the case has only to go home and talk to the people who are waiting for this additional money. I therefore urge the House to expedite passage of the bill and to make this additional money available to the senior citizens.

• (1550)

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I do not intend to take too much of the time of the House. I am also aware of the fact that it is necessary to have this bill passed.

In the Speech from the Throne, the government gave many hopes to the people aged 60 to 65. With the introduction of Bill C-147, 98 per cent of those hopes have vanished along with the fine promises in the Speech from the Throne.

I will not delay the adoption of the bill because crumbs are better than nothing. I would like to point out that the proposed increase amounts only to 42.8c/ a day for the richest. For those who will receive the guaranteed income supplement, the increase works out to 65.75c/ a day.

We have 830,000 people between 60 and 65; 320,000 other people are married to people in their sixties, which, in all, accounts for over one million people.

Our currency is said to have devaluated by over 31 per cent since 1961. Considering the slight increase in the old age security pension and the lesser value of our dollar, I suggest that this increase is tantamount to crumbs and quite inadequate to meet the current and future needs of senior citizens. I also contend that this bill should take into account the spouse and eligibility for retirement at 60.

It is strange that when you meet hon. members outside the House they all seem in favour of retirement at 60 and substantially higher pensions, but as soon as they have stepped into the House, there is such a change in them that I have to assume that many intrigues are going on within the parties.

Mr. Speaker, I would conclude by expressing the hope that the government will meet our requests.

Mr. René Matte (Champlain): Mr. Speaker, having had the opportunity to co-operate with the member for Joliette (Mr. La Salle) in the presentation of this amendment, I take the liberty of refuting certain arguments brought forth by the NPD member who spoke a while ago.

I do not think that this amendment can in any way delay the passing of the bill, which could become effective on April 2, at the discretion of the minister. Indeed, in the next 24 hours, the committee could meet, the minister could be heard and simply bring all the changes we all consider as essential to improve the condition of the senior citizens, especially those aged 60 to 65.

Such is the purpose of this amendment, and here I do not want to depreciate my colleague from Joliette, but I wish to point out that, having suggested that amendment to him, I thought it was an excellent means to obtain what we could not get yesterday, since we tried for a good part of the day to propose amendments that could have been in order. Now, we have realized that it would have a better chance if it come from outside our party.

In any event, we hope it will go as well with the Minister of National Health and Welfare (Mr. Lalonde). And why? Simply in order to bring this debate to an end, to give satisfaction to all hon. members and to demonstrate that while co-operating with the independent member of the House, we indulge in no kind of partisanship whatsoever. And as we do know that all hon. members are in favour of lowering the age of eligibility to the old age security pension, why does not the minister simply decide to advise us right away that he will introduce within one or two months another bill to amend the Old Age Security Act, to take effect retroactively as from April 1, 1973? The thing is as simple as that!

Consequently, in order to make it impossible for my colleagues of the New Democratic Party, when called upon to vote, to say, if they vote against the amendment, that they do so not to delay the passing of this legislation, I should like to disprove in advance such an argument, because, in my opinion, those who accept to vote for this amendment will simply suggest that they are in favour of granting the pension to any citizen at 60 and automatically to any spouse as soon as the other one reaches the age of 60. A vote against this amendment is a vote against that possibility. That is the purpose we had in mind when we helped the hon. member for Joliette move this amendment.

Also, Mr. Speaker, I think that all hon. members have an excellent opportunity to show that it is possible to reach an understanding, to work hand in hand and accept the most legitimate and sincere wishes of the people. There is no doubt that people want the pension at 60 for all the reasons given since this debate started. I think we have to be responsible and I should like very much to see the minister assume his own responsibility. If he could tell us right now exactly what his intentions are we could pass this motion. The minister could explain to us how he could amend the bill since this motion bids him to do so.

I conclude my remarks by saying that I hope all hon. members will vote in favour of this amendment for the greatest benefit of the people.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I will not make a speech but I want to give the minister the opportunity to answer the question asked by the hon. member for Champlain (Mr. Matte). Is he prepared to make a statement in the House right now to the effect that he will introduce another bill before the end of 1973 to lower the retirement age and to grant the old age security pension at 60, so that the hon. members will know where matters stand and will be in a better position to support that bill. Thus, the minister would himself help accelerate the passage of the bill and could assure the hon. members that he

will introduce a new bill in a few days, after consultation with the provinces.

If I recall correctly the remarks he made in the House a short time ago, the minister had said that the provincial ministers of Health did not think it was possible to lower to 60 the age for eligibility to the old age security pension.

I do not question what the hon. minister said but I would like to know, if he is agreable, whether the provincial ministers of Health have changed their minds so that the minister will be able to have this bill passed today.

I would therefore be pleased to listen to the minister's comments in that regard.

• (1600)

[*English*]

Mr. Baldwin: Mr. Speaker, I rise on a point of order. I have been waiting patiently for the minister to speak, but perhaps he is not going to do so. I wonder if he would mind answering a question at this time. Is the minister going to speak? I will be glad to defer to him, both from the point of view of seniority and of interest, in order to hear what he has to say.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to refer a few points to the minister. It is not my purpose to add to the length of this debate. As a matter of fact, I waited until members of the Social Credit party indicated that they had completed their remarks before rising. The minister has indicated that he will reply, and I am sure we all look forward to his remarks. In view of that, I decided to put a few thoughts on the record because I did not speak on second reading of the bill although I am intensely interested in this matter, as is everyone in the House.

I am inclined to agree, and I am sure this will be confirmed that as a result of representations made with regard to lowering the age of eligibility to 60, some provinces have made moves in this direction. There has been concern about the means test aspect of pensions and I believe some provinces would prefer to provide relief by way of supplementary pension, leaving the old age security base where it is.

I am not really concerned about my friends in the Social Credit party suggesting that the NDP will be criticized no matter how members vote on this amendment. There is the suggestion that we will be accused of opposing the lowering of the pensionable age. However, I think our point of view is well known across this country. As a matter of fact, many of our critics from all parties have accused us of having dewy-eyed feelings about pensions, or having a pension paranoia. I think the Social Credit party has put itself in an excellent position to blame other parties for not lowering the pensionable age at this time. This is why I hope the minister will enlighten us on this matter.

Let me tell hon. members in the Social Credit party that if I thought we could get the pension age lowered, without delaying the pension increase to $100 and the increase in the supplement, by having this matter sent back to the committee where the whole exercise would be gone through again, I would vote with them. But I am not convinced that is the case. I have no secret line of communication with the minister, even though we share the same first name, but I think that by supporting this referral motion we will be accused of delaying and frustrating the immediate implementation of the increase. No matter what the hon. member for Champlain (Mr. Matte) has said, the Social Credit party will bear the brunt of the blame for holding up this measure, whatever their reasoning.

I have read the amendment very carefully and I see in it no refence whatsoever to the lowering of the age of eligibility. If it contained such a provision, it would be out of order. That party has simply proposed an amendement for the purpose of political gain. That is all right, because that is what we are here for—to make political points. We are politicians, we play political games and we might as well admit it. That party does not have a monopoly on political games: we are all fairly skilled in these games or we would not be here.

An hon. Member: You should worry about your own party.

Mr. Rose: I know that some members sitting close to me would say they are not politicians but are, rather, statesmen. The amendment before us is very general, and no matter how the NDP votes, our record is very clear on the matter of pensions. We are not going to be concerned by parliamentary devices of this kind.

On March 1 we had the opportunity to listen to the very thorough, impressive and interesting speech of the Minister of National Health and Welfare (Mr. Lalonde) in respect of social questions and old age security, although I thought he was almost defensive. I think it is important that we discuss old age security, and we have done so on many occasions. Old age is a time of great uncertainty. Legislators can do something about certain areas but there are others in which we can do nothing. People like my mother, for instance, have a great deal about which to be insecure.

Some hon. Members: Hear, hear!

Mr. Rose: That is because of her age. The minister dragged in his relatives during his speech, so I do not see why I should not be able to drag in mine.

Mr. Baldwin: The only thing you have made secure is the government.

Mr. Rose: I am not involved in the question of old age security just on an altruistic basis. I am very interested in senior citizens and how we look after them, because I hope to be one some day. Great adjustments have to be made by the elderly because of a new life style. Perhaps they have suffered a recent bereavement or they wander around in their homes because their children have left. Perhaps because of the great mobility in this country, their families are spread across the land. There is the probability of loneliness, perhaps failing health or other discomforts. Legislators can do something to assist in this period of adjustment, euphemistically known as the golden years, but there are many things about which legislators can do nothing. Some problems just happen to be a natural part of the aging process.

I say in all seriousness that one thing we can do as legislators is to see that senior citizens are not short of money. We have failed in this regard for a number of years and are only now beginning to catch up. Incidentally, I think this is the result of leadership by some provincial legislatures. Several provincial governments have put forward a minimum income package, not just for senior citizens but for the disabled and the blind. Such initiatives have not been forthcoming from the federal government, although the federal government does contribute.

We have not made sure that people on old age pensions are not short of money. Many of them are too sick or too old to look after themselves, yet we have ignored thousands of them in this country. We force them to live out their lives in a grubby little room somewhere because that is all they can afford. We are to blame for this and there is no way we can escape that blame. No last-minute program increasing pensions to $100, or anything like that, will free us from guilt, and I feel as guilty as anybody else in this regard.

I admit that we have made some progress in respect of senior citizens' housing. We have made loans under NHA to erect vertical ghettos in some of our towns and villages, but we have doubled the cost of these buildings and made it necessary for landlords to raise rents to the point where there is little left to provide the other necessities of a decent living for senior citizens fortunate enough to be able to occupy these housing structures. Mr. Speaker, I hesitate to risk your ire and to be called to order, so I will say only that on the matter of housing my province makes grants for senior citizens' accommodation. I think the federal government should do it instead of giving loans, which only puts up the rent and doubles the cost of a building over a period of about 50 years.

• (1610)

In the little time at my disposal I would like to speak about two main points. The first concerns a serious approach to lowering the age of eligibility for pensions and the second is the related matter of private pension plans. If there were amendments in federal legislation covering private pension plans, so that employees could have more say in them, we would not need so much public funding. At the moment, some of these pension plans are a rip-off—I hesitate to use the cliché—so far as employees are concerned.

All three opposition parties have insisted that a basic pension of $100 is still too low. I think most people would agree with that. But I also think that we are realistic enough to know that this is about all we will get this time around. We can wring our hands and decry this, but it is being realistic to accept it—unless the minister pops up with a surprise for us right now; and if he will, I will sit down and that will be the end of my speech.

Some hon. Members: Pop up.

Mr. Rose: I would like to speak for a moment about persons under 65 years of age who need the government's help. The minister made quite a point in his speech on second reading and said, as I recall, that there are groups in society other than old age pensioners who need government assistance. I think he mentioned the disabled, the blind, some ethnic groups and the poverty groups. I agree with him. However, that matter is not before us now. He mentioned, also, that he is considering a comprehensive social security package designed to eliminate about 20 different overlapping programs dealing with general human welfare. I agree with him there, too. But that is not before us either.

What is before us is the matter of old age pensions and whether the minister will ever get around to a comprehensive scheme to look after the human needs of those who are not able to compete in our society. This is a matter of conjecture and we do not know when he is going to do this. I hope he will shed some light on the matter when he rises to speak in a moment. However, in his speech earlier he suggested that there are 830,000 Canadians between 60 and 64 years of age, and there are 320,000 spouses under 60 who are married to people over 60.

About two or three weeks ago, when I was holding interviews in my constituency and dealing with various problems associated with my constituents, three couples came to see me—spouses and pensioner husbands who were 10 to 15 years older than the wives. What is the situation, so far as they are concerned, when the husband is retired and cannot continue working, he gets $175—in British Columbia, $200—and his wife is, let us say, 12 years younger and cannot work? What it boils down to is that such a couple is living on a maximum of $175 or $200 a month. If this is not enough to satisfy their needs—and we all know it is not—then the local municipality must pick up the balance through welfare. I know that it is federally and provincially shared, but many people resist welfare.

The minister has obviously looked into this problem because he admitted in his speech that the financial difficulties facing these people are immense. He estimated that to include under OAS all the people between the age of 60 and 64, and all the people who are under 60 and married to people over 60, would cost $1.38 billion annually. But what are the alternatives? We know there is a cost. But what are the benefits? In an affluent and humane kind of society, what are the alternatives? The alternative is to have people get along on less than they need to maintain a decent standard of living equivalent to the rest of us, at a time when we are able to fight for ours but these people cannot.

I hope the minister will give serious consideration to this matter because I think it is also extremely important from another point of view. What alternative is there but to work or to go on welfare for a wife in her fifties who is married to a 65-year old pensioner whose only income is $175 in some provinces and $200 in British Columbia? There is no other alternative. As figures reveal, these cases are far from rare, and there are families in this category which are additionally burdened by the presence of teenage children in the home. In what position does this put the wives of pensioners who have predeceased them, as they so often do? A pensioner dies, leaving a wife perhaps 10 or 15 years under the age of 65: how can she get along?

I think what we should do is introduce the dependency concept into old age security. In this way, benefits would be permitted to pensioners' wives who are under 65 years

of age. This, perhaps, will be needed if the government continues to resist the attempts made by my party and by other hon. members, including, I think, some members of the Social Credit party, to lower the pensionable age across the board. Surely, if the government is not prepared to lower the pensionable age across the board, it should show its intention to introduce this dependency concept. It would not apply across the board but it would provide pensions to persons who desperately need them.

My point is that 250,000 young people under 24 have been out of work for the last two or three years, at a cost which is probably a great deal higher than that of the old age security plan. Then we must include lost production and the cost of various bandaid programs such as LIP and OFY. If we look at the comprehensive picture, we find it is far more costly, in terms of a person's self-esteem, to be constantly unemployed. We have the wrong people pensioned off. We pension off kids at the age of 21, and at the same time we keep the old man on the treadmill until he is 65. We have approached the problem backwards in this society.

I know this is the subject of an amendment to the Canada Pension Plan, but we must start looking at these aspects of the problem. It seems to me that if in Germany, for instance, railroad workers—in a country so seriously devastated at the end of World War II—now have a pension which provides them with 75 per cent of their earnings in the best five years, after they have worked 25 years, that is what voluntary early retirement is all about. We could do that in Canada. I can only speculate that we have not done it in this country because the two old-line parties are afraid of treading on the toes of the financial institutions which enjoy a very good market and supplement the pension scheme of those who wish, perhaps, to have more than the minimum provided by old age security.

• (1620)

I think there is a real need for us to provide for earlier retirement in this country. I do not know why we did not do it long ago. The minister says, "After all, it won't provide the kind of job openings we had hoped it would." I am not so certain, because I do not know what he bases his assumption on. But I am certain that jobs for young people would be found if people retired earlier.

I do not know how I stand with regard to time, Mr. Speaker, but you seem to be getting a little restless. Am I over my time? I would not want to disappoint any of my colleagues, who are obviously fascinated with my speech. I did not have time to prepare a short speech and that is why I am making a long one.

Let me deal with another area which I touched on earlier. This has to do with the need for close government scrutiny of private and company pension schemes. Approximately $11 billion of the money of Canadian employees is resting in various private pension schemes. They are contributory schemes and the contributions of employees and employers go into a fund which, by and large, is managed by the employers. In general, the funds are managed for the benefit of the employers, because each company has complete control over the investment policies of its pension scheme. This means that it can invest pension funds in itself at 1 per cent or 2 per cent

interest. Therefore, the plans do not mature and provide the benefits that they should if the schemes were opened up and representatives of the employees were allowed to make some decisions on investment policies. Since it is their money, I think that they should be running the schemes. Far too many pension schemes have been terminally funded. This was the case with the railways. However, a number of these schemes have been changed.

Recently I talked to a man on a picket line in front of Seagram's in New Westminster. He is a retired employee of that company. He was an employee for 20 years. His pension, under the contributory pension plan, is a miserable $84 a month. Seagram's have a company plan and it refuses to divulge even a copy of its trust agreement to its employees. In fact, companies are not required to do this by Canadian law. In other words, a company receives contributions from its employees and the employees cannot see the trust agreement.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Rose: On a point of order, Mr. Speaker: I was given to understand that I was allowed 40 minutes for this peroration. If that nod of your head denotes agreement, I will continue.

Mr. Deputy Speaker: If I can reply to the hon. member: yes, and he did have that time.

Mr. Rose: No, I did not.

Some hon. Members: Question.

Mr. Rose: Mr. Speaker, I would never quarrel with your ability to read the clock, but I promise to conclude my remarks in about two minutes. I wonder if I might have that much time.

Mr. Deputy Speaker: The hon. member asks for a few minutes to complete his remarks. Is this agreed?

Some hon. Members: No.

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

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I listened with the utmost patience and interest to the speeches that have been made yesterday and today during the debate on third reading of this bill.

Although there have been very interesting contributions to this debate, I must say however that some were purely demagogic rather than constructive contributions to the consideration of such an important bill as that now before the House.

This bill has been considered by all parties, passed the first and second reading stages and been considered by a committee of the House which reported on it. During the examination of this bill in committee, we secured consent from all parties to proceed quickly and have it back before the House as early as possible.

The hon. member for Hillsborough (Mr. Macquarrie) stated before the committee, and I quote:

[*English*]

It is my disposition and suggestion that we proceed to pass the bill.

[*Translation*]

He indicated that he had some reservations, but he also said, and I quote:

[*English*]

So far as I am concerned, if there is a general disposition to move this bill forward it would be a useful suggestion. Despite the literal interpretation of the word "parliament," there are times when, perhaps, we serve the over-all constituency best by expediting legislation; although it is not first-class, it is the best we have at the present time. Some day we hope to have something better. So far as I am concerned, I suggest that we are prepared to vote for it.

His party considered the legislation, discussed it in committee and supported it in committee. The same thing applies to the hon. member for Winnipeg North Centre (Mr. Knowles) who spoke on behalf of his party. He declared in committee:

I want the report to go back to the House as soon as possible.

Then we had the hon. member for Bellechasse (Mr. Lambert), representing the Social Credit party, saying, as reported at page 1:37 of the committee proceedings:

We want the report to be submitted to the House as soon as possible to meet the wish expressed by the hon. minister.

[*Translation*]

What was said then? We heard the views of the representatives of the other three parties expressed here in the house. They all stated: We would rather have a better, more generous bill, but for the time being this is the best we can get. Let us proceed as quickly as possible, let us pass the bill so that senior citizens may obtain their pension increases as soon as possible.

What has happened in the interval? Several amendments were moved by the Social Credit Party and were all ruled out of order.

What were the remarks? We came back to the House, for third reading and resumed the game that had been played in committee. The same kind of amendments were introduced, and I would even say amendments still more irresponsible than those which were put forward in committee. These amendments, Mr. Speaker, have all been negatived for the same obvious reasons.

In desperation, it would seem—according to what the hon. member for Champlain (Mr. Matte) said—that the Social Credit Party of Canada found a non official spokesman to introduce in this House an amendment which reads as follows:

That Bill C-147, an Act to amend the Old Age Security Act, be not now read a third time, but that it be referred to the Standing Committee on Health, Welfare and Social Affairs in order that the minister responsible may appear again before the said committee for the purpose of amending the bill in such a way that it may better meet the needs of the people of Canada.

Mr. Speaker, what was done in committee when the bill was introduced? These matters have been considered and discussions have taken place in this regard. What will the committee be able to do if the bill is referred to it?

I have appeared as witness before the committee. At present, the estimates of the department are being considered. I shall appear and I made a commitment before all hon. members and all members of the committee to appear again before the committee to discuss lowering the eligibility age and the increase in pensions. All this has been considered by the committee and we have reached an agreement which is the record of the committee and under which I will appear and we will spend some time to review and discuss the whole matter.

At this stage, all that can only delay the passage of this bill. If the passage of this legislation is put off and results in withholding payment of pensions to elder people, I hope that the country will know who is responsible for this delay: the Creditistes, the Social Credit Party of Canada and in particular the hon. member for Joliette.

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

• (1630)

[*English*]

Mr. Deputy Speaker: The hon. member for Abitibi (Mr. Laprise) on a point of order.

[*Translation*]

Mr. Laprise: Mr. Speaker, I rise on a point of order.

I did not record the dates, but I know that the committee's report was submitted to the House and that the government waited for a week before tabling it.

[*English*]

Mr. Deputy Speaker: Again, that seems to the Chair to be more a point which one could argue or debate rather than a point of order. I think the Chair is in the position more and more each day of having to ask that when hon. members have a point to make because they disagree with another hon. member, instead of seizing the eye of the Chair on a point of order they should ask to be recognized in their turn and then make their argument. The Chair commends this procedure to the House if we are to have orderly debate. The hon. Minister of National Health and Welfare (Mr. Lalonde).

[*Translation*]

Mr. Lalonde: I do not think I shall waste my time, Mr. Speaker, answering the hon. member's point of order. I will simply point out that we are examining a bill, that time is flying by and that an amendment has been introduced which is not only demagogic but, even worse, futile. Nothing will be achieved through this amendment.

As to the hon. member who introduced this amendment, where was he when this bill was considered in committee? He did not show up in committee; we examined this bill on Tuesday, March 13, 1973. The hon. member for Joliette did not attend the committee meetings. And what is he asking for now? He is asking that the minister return before the committee, while he would perhaps be there himself. We hope he would! In any case, one thing is certain: he did not find this bill important enough at that time to take the trouble to go to the committee.

The hon. member claims that he was in the House when the bill was examined by the committee. If I remember

correctly, Mr. Speaker, the House was not sitting and he had ample time to go to committee.

We are considering a bill which requires quick passage if we want our senior citizens to benefit from it. Now, what are we going to do in committee? We are no doubt going to hear for the hundredth time the series of Créditistes proposals and amendments.

The New Democratic Party proposed $150 as the amount of the basic pension. Now, the Social Credit Party of Canada talks about $200. I am sure that in committee, they will talk about $250. Some talked about reducing the pension eligibility age to 60. Some also thought of something else. Yesterday, amendments were moved, according to which the pension would be paid to any 50-year old handicapped person. What is special about being 50 years old? Why not look after the 49, 48 or 45-year old handicapped persons? Why grant a pension at 60? Why not at 55 or as I said myself in the committee, at 43 or at 42? It could be optional. And all that without any computation of the costs. Of course, with the Créditistes, there is never any problem as to costs. They just set off the press and there is no problem: the money will go out.

That is of course a completely irresponsible attitude concerning that question, a completely demagogic attitude, that has nothing to do with the real problems of poverty in Canada at the present time.

If this bill is sent back to the committee, what is going to be done to it? They will merely try to reintroduce in committee the amendments that were ruled out of order. And the only result will be a general loss of time for the House and for the committee, and it seems to me that the hon. Créditistes members have already wasted enough the time of the house during yesterday's debate.

Mr. Speaker, I say once more that this amendment is absolutely futile.

[*English*]

The only thing this amendment can do is delay adoption of the bill. The government has declared its intention and there is a recommendation by the governor in council on this measure: it has been before the House and we have clearly stated our position. The House has pronounced itself on first reading, on second reading and in committee. As I said before the committee, the questions raised by members, of reducing the age for receipt of the pension or increasing the amount, deserve discussion.

Some hon. Members: Hear, hear!

Mr. Lalonde: Members can applaud as much as they want to. I hope we will have a more responsible discussion than the speeches they have been delivering for the last two days in this House. I hope these hon. members will be in the committee where they can discuss this question. I hope the hon. member for Joliette (Mr. La Salle) will take the trouble of coming to the committee.

We have an agreement in the committee to consider this whole question but, once more, it has to be looked at in the context of poverty in Canada. We have not only the problem of people aged 60 and 65 in this country, or of the handicapped above 50 as the Créditistes were talking about; we have the problem of all handicapped from birth to death. We have the problem of the single-parent family,

[Mr. Lalonde.]

the problem of the handicapped and the blind, the problem of the people who are on welfare in this country. All these people also need to be looked after. It is not a question of just the piecemeal approach that the Créditistes are putting before this House.

I heard an unbelievable statement this afternoon by the hon. member for Drummond (Mr. Boisvert) who said, "Maybe it will be a year before we can give what we want to give to the old people." Mr. Speaker, they are ready to say, "Forget about this" and not face our senior citizens' needs now. Then we will have a year in which the Créditistes will have time to make more propaganda across the country and not achieve anything because, as the hon. member for Saint-Hyacinthe (Mr. Wagner) said yesterday, they have "ni la balance ni le pouvoir".

Mr. Deputy Speaker: Order, please. Does the hon. member for Drummond (Mr. Boisvert) rise on a point of order?

Mr. Boisvert: On a point of order, Mr. Speaker.

[*Translation*]

Mr. Speaker, I feel my words are being deliberately misinterpreted. I said that even if we had to wait for a year to win our argument, we would do so but we do not want to delay passage of this bill.

[*English*]

Mr. Deputy Speaker: The hon. Minister of National Health and Welfare (Mr. Lalonde).

Mr. Bell: Let's get on, and find out how the NDP is going to vote.

Mr. Lalonde: On this whole matter the government has announced firm measures. I said I would appear before the committee, as this amendment proposes. We do not need an amendment for that: I will appear before the committee; there is an agreement to that effect. We are going to review the problems that would be raised with the lowering of the pensionable age and the increase in pensions.

An hon. Member: When?

Mr. Lalonde: Any time. I am in the hands of the committee in this respect. When the estimates are under consideration, we will consider the matter. This question has been discussed with my provincial colleagues and they have expressed reservations about changing the structure of the old age security program at the present time. They want a general review and want to discuss the whole problem of welfare.

• (1640)

One hon. member who said that British Columbia was paying $200 to senior citizens suggested that we might give this amount to everybody, everywhere. There is nothing to prevent the provinces increasing old age pensions if they want to do so. They are welcome to do so if they feel they have the funds.

Is the hon. member for Fraser Valley West (Mr. Rose) rising to ask me a question?

Mr. Rose: Mr. Speaker, I wanted to make something clear. I did say that British Columbia was now paying a basic income of $200 per month to people of 65 and over and to the disabled and the blind. I think this measure came into effect just before Christmas; in fact I am sure it did. I agree with the minister that there is nothing to prevent other provinces doing the same.

Mr. Lalonde: My point is this: I do not want to stop the provinces from doing this. I think they deserve to be congratulated if they do it. According to the figures of January 3 that I have, a couple on social assistance in the province of which the hon. member spoke are paid $169, while if they are 65 or over they can get over $400. In Saskatchewan, a couple are paid $176 if they are 64 or 59 years old—choose your age—while a couple in receipt of the federal old age pension will get $325. In Ontario, they are getting $235; in Quebec, $158; in New Brunswick, $180; in Manitoba, $179; in Nova Scotia and P.E.I., $200; in Newfoundland, $195. That is the situation with regard to people who are on welfare. Hon. members should compare those figures with the $325 that will be available to couples under our old age pension. The Créditistes have proposed an amendment that will permit an amount greater than $400 to be paid to a couple. If you take $400 plus the GIS, the amount would come up to around $525 per couple. That is very nice. Why not bring it up to $600 while you are at it, or $700 while the auction is under way?

We must think about all the other people who are on welfare. There are many people on welfare in the ridings represented by members of the Créditiste party, as they may well know. They should consider what they are doing. We will embark, with the provinces, on the consideration of all these aspects of poverty. This is not the time to push ahead with large increases of the sort recommended by the Créditistes or with lowering the eligibility age and thus using a large amount of our resources for that purpose. I have already given the figures to the House. If money is used in one way, it will not be available for abandoned mothers, for the handicapped or those below 65 or 60 who experience difficulties in life for a variety of reasons.

We will meet with the provinces, and the House and the committee of the House will have the opportunity to consider the social security review. I hope that this House and the Standing Committee on National Health and Welfare will have the opportunity of considering this matter in a broad context, instead of entering into an auction between various parties who want to see which one will bid highest for the votes of senior citizens.

I repeat, my appearance before a committee of the House at this juncture on this particular amendment will achieve nothing except the further delay of the adoption of this bill. If this bill is delayed further, we will know where to place the blame. Second, I am committed to make known to parliament as soon as possible before the conference—I hope to be able to do this—our various proposals in the field of social security review. I hope the Standing Committee on National Health and Welfare will have the time and opportunity to consider these proposals, as well as the provinces with whom we will meet at the end of April.

In conclusion, not wanting to take up any more of the time of the House, may I say that all parties have agreed that we should speed up the consideration of this legislation so that the senior citizens of this country may receive the increases that are due to them. We should proceed to the adoption of this particular bill immediately, Mr. Speaker. We will have plenty of time to consider the other arguments.

Mr. Deputy Speaker: Order, please. The hon. member for Joliette (Mr. La Salle) rises on a question of privilege.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, as far as the question of privilege is concerned, I just want to reply to the minister's question as to where the hon. member for Joliette was, if he was not in committee. I should be very smart if I said that last week I was sitting on the Agriculture committee and did not see the minister of National Health and Welfare (Mr. Lalonde) there. I know he has other duties to carry out and that effectively he cannot be everywhere at the same time. However, I should remind the minister that I have never missed an opportunity in the House to inform him of my opinion about the bill. He has received copy of my correspondence and also a resolution prepared by the Conseil central des syndicats catholiques, and I feel that he cannot truthfully say he is not aware of my views.

Therefore, the argument I am supporting is one I consider to be valid, although the minister stressed his great willingness to do more and better. I appreciate that very much, but we do feel immediate action is important.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member really has not stated a question of privilege. The hon. member for Hillsborough (Mr. Macquarrie).

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to say a few words about the amendment proposed by the hon. member for Joliette (Mr. La Salle). I will be the only spokesman for my party on this item because, as the minister rightly said, throughout this entire debate we have endeavoured to suggest that we should expedite the measure. Puny though the measure is, it should be given birth. I wonder how much the cost of living has increased during the month in which this matter has been debated.

Mr. Hees: Quite a bit.

Mr. Macquarrie: On the other hand, I think it would be well, after the minister's outburst, to adopt a somewhat more reasonable tone. I will not use that tone which he used when replying to members of the Social Credit party. I am not given to making long speeches, nor am I very fond of our having a series of long speeches although I admit the right of hon. members to speak. If we were to hear all members of my party who have concern for the older citizens of the country, Santa Claus himself would deliver their cheques. However, we must refrain from expressing our views and we must expedite this measure.

The minister was good enough to quote the remarks I made in committee. Although I am a man of the utmost

modesty, I am always pleased when somebody quotes my words and enables them to adorn *Hansard* for a second day. I should remind the minister, however, that at the time that I said we must move on this matter, I also said that if we could find any way that was procedurally proper, whereby we could bring about an improvement in the situation, I would support anyone who would bring forward such a suggestion. On the other hand, I would not think of gumming-up any parliamentary procedure with an amendment which I do not think to be proper.

Mr. Baldwin: Me, too.

Mr. Macquarrie: The hon. member for Joliette (Mr. La Salle) has brought forward an amendment which has been found acceptable by the Chair. I therefore think it is incumbent on the minister, rather than threatening the Social Credit party and denouncing them for being delayers—if I may be alliterative—to reflect for a moment and consider that if this motion goes through it would surely be an indication that the House of Commons does not view favourably, at this stage, the measure which is brought forward. It seems to me that the minister is not in the position where he can denigrate the members of the party that brought forward this motion, but I am not so sure that he is on strong ground in saying the committee cannot do anything. If the committee gets the sense of its parent body, this House, then indeed it strikes me that it is a very much different consideration that the minister should be putting forward. This is another situation altogether.

• (1650)

The fact that we have an amendment before us which is in order should have evoked a little more moderation and humility from the minister. We are in a minority parliament situation. I do not think it is incumbent upon any minister to say that this measure, having passed one or two hurdles, must now go through—or else! This is the body over which the minister and his colleagues preside. It is the competence of this body which must be their sustenance as the executive. We are in an entirely new situation.

The minister is misreading what this matter is all about. This is not the time for vituperation. It is a time for reasonableness. It is up to all of us to see how we can best serve this sector of Canadian society. This is the kind of sweet reasonableness that I would endeavour, even at this eleventh hour, to breathe into—I hope—the receptive ear of the minister.

Mr. Baldwin: Mr. Speaker, I want to ask the minister a question. The minister has already spoken, but I hope the House will give unanimous consent to allow him to respond to my question if he wishes to do so. I have been prompted to ask it by the very eloquent speech of my colleague, the hon. member for Hillsborough (Mr. Macquarrie). If, in its wisdom, this House sees fit to pass the motion which contains the amendment now before the House, which would in fact give a mandate or directive to the government to review its position on the contents of this bill, would the minister take that as a directive and in fact review the bill and its contents, or would he ignore the wishes of this House?

[Mr. Macquarrie.]

Mr. Lalonde: Mr. Speaker, I think I said in my speech that the government had put forward a proposal, that this proposal was the government's policy and that there was a recommendation of the Governor General on this particular proposal. I also said that another return of this bill to the committee could not achieve anything, as far as I could see, in terms of changing the substance of the bill as it stands.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my position and the position of my party is that the basic amount of the old age security pension should now be $150 a month and that the pension should be payable at age 60. We are disappointed that the bill now before us does not achieve these two goals. It is our determination to continue to press for these goals until we win them. We believe that we shall do so.

My correspondence includes letters from a good many people who express the hope that we will continue to fight for $150 a month pension at age 60. To those who support us in that endeavour, we give our assurance that this battle will continue. But another message has been coming in today, for during the very few minutes that I was able to spend in my office this morning I received three telephone calls, one from Ottawa and two from Winnipeg. They expressed great concern about the news reports carried over CBC radio this morning. Hon. members probably heard those reports. They were to the effect that although the war veterans allowance bill was passed yesterday, the bill to increase the old age pension was blocked at 11.20 last night. I was able to explain to those people who telephoned me what had happened. I told them not to worry, the bill would soon be passed.

The fact that I received three such telephone calls in the short while I was in my office this morning indicates the concern in this country over the possibility of this bill being blocked or delayed. Much as we are determined to get further legislation later this session, or as soon as we can, increasing the pension to what it ought to be, we do not intend to be a party to any sterile or futile move the only effect of which could be to delay this bill.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I commend my friends of the Social Credit party for the vigour with which they press their point of view. I even confess that I envy a bit their freedom to be as irresponsible as they are today. However, the fact of the matter is that the amendment now before the House does not make any reference to lowering the pensionable age or any reference to increasing the amount of the pension. In their speeches, some members across the way said that is what would be voted on when this motion is put to a vote, but that is not the case. The amendment simply asks that the bill be not now read a third time but that it be referred back to the Standing Committee on Health, Welfare and Social Affairs so that the Minister of National Health and Welfare (Mr. Lalonde) can appear before that committee and so we can discuss the bill still further.

If this amendment carries and the bill is referred back, that committee will not have the authority to do anything, during the second round, that it was not able to do during

the first round. During the first round in committee seven different amendments were moved to the bill seeking all the possible combinations by way of improving this bill. Every last one was ruled out of order, for all of them involved the expenditure of money and were not permissible as amendments by private members.

If this bill went back to committee, all that would happen would be a repetition of that process. The committee is already slated to meet tomorrow to deal with the housing bill. I do not know when it would get this bill. It could possibly be tomorrow, but more likely Friday or Monday. When one adds up the few days of delay that could occur, the result could well be that this bill would not be through in time for the $13.39 to be added to the April cheque, that being the additional amount that everyone of Canada's 1,800,000 old age pensioners will get if this bill passes. This motion is so empty, sterile and meaningless that this House would be acting in an utterly irresponsible way if it passed it at this time.

I was pleased to hear the Minister of National Health and Welfare (Mr. Lalonde) confirm this afternoon what I attributed to him when I spoke on a point of order last night, namely, that he has agreed to appear before the Standing Committee on Health, Welfare and Social Affairs to deal with the whole question of lowering the pensionable age and to deal with it in depth. The chairman of that committee was here a few minutes ago. He is probably still within the sound of my voice. The minister also made it clear in committee that as far as he could see, it would be in order if we made a report on the estimates of that department, including a recommendation with respect to the lowering of the pensionable age. Knowing the make-up of that committee, knowing the members, Social Credit, Liberal, Conservative and New Democratic Party, who believe in lowering the eligible age, I am confident that out of that discussion will come a report back to the House calling for legislation to lower the age of eligibility. If I have my way, that report will also call for action to be taken this session and for there to be another bill to amend the act with regard to the amount of the pension.

• (1700)

I agree with the hon. member for Hillsborough (Mr. Macquarrie) that there is need for us to discuss this whole question, to discuss all the aspects of old age security in a reasonable way, to discuss these matters in depth and to come up with long-lasting and satisfying solutions. I do not see how we can possibly do this in one day or two days, meeting under the gun of this bill with the necessity that it be passed so that these increases can go out.

If we did not already have a unanimous understanding in that committee, as well as the approval of the chairman and of the minister, to hold these discussions, some hon. members might say this was only a promise which might not be implemented. But this is our understanding. It is on the record of the committee, and it has been confirmed this afternoon by the Minister of National Health and Welfare, that we shall do, in the committee, with time available in which to do it, precisely what this amendment seeks. On the other hand, if the amendment were to carry and we were to send the bill back, we would not even have the authority to add to it or to report recommending anything. We could only return the bill to the House, exactly as it is. In the consideration of the estimates, however, we do have an opportunity to make a report, to make recommendations, and I believe this is precisely what we should do.

There is also something to be said for the fact that conferences among the 11 governments in this country are in prospect for next month on the whole question of old age security, the Canada Pension Plan and other forms of income maintenance and income security. If this session does continue—and one never knows; it is a week-by-week session—I see the possibility of this kind of discussion both in the standing committee and among the 11 governments of Canada resulting in further social security legislation this session. I say to the minister that this is what I want to see. I think I see his head nodding up and down. Yes, it is. In other words, he is hoping to see it too. Well, he is in a position to do something about it, and I suggest that if we are reasonable, if we get this bill passed and these payments into effect, we shall then have an opportunity to discuss further action which ought to be taken.

So, because of concern across Canada today as reports go out that this bill was blocked last night and is still being debated, I suggest we should not postpone a decision any longer. The passing of this amendment could have no worth while effect. The only result would be a few days' delay, which might jeopardize the revised cheques being received in April. This House should do the responsible thing—reject this amendment and pass the motion for third reading and send the bill to the other place so that it can become law right away.

Some hon. Members: Hear, hear!

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment (Mr. La Salle). All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

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

• (1710)

(Division No. 20)

YEAS

Messrs:

Allard	**Caouette (Charlevoix)**	**Fortin**
Beaudoin	**Dionne**	**Gauthier (Roberval)**
Boisvert		

Old Age Security Act

Messrs:

Godin
Lambert (Bellechasse)
Laprise
La Salle
Latulippe
Matte
Rondeau
Tétrault—15.

NAYS

Messrs:

Alexander
Allmand
Andras
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Barnett
Basford
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Béchard
Bégin (Miss)
Bell
Benjamin
Blackburn
Blais
Blaker
Blenkarn
Blouin
Boulanger
Breau
Broadbent
Buchanan
Caccia
Cafik
Campbell
Caron
Carter
Chrétien
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Comtois
Corbin
Corriveau
Côté
Crouse
Cullen
Cyr
Danforth
Danson
Darling
Davis
De Bané
Demers
Dick
Diefenbaker
Dinsdale
Douglas
Drury
Dubé
Dupont
Duquet
Ellis
Epp
Ethier
Fairweather
Fleming
Foster
Fox
Frank
Fraser
Gauthier (Ottawa East)
Gendron
Gilbert
Gillespie
Gillies
Gleave
Goyer
Grafftey
Gray
Grier
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Harding
Harney
Hees
Hellyer
Herbert
Higson
Hollands
Hopkins
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howard
Howie
Hueglin
Hurlburt
Isabelle
Jarvis
Jelinek
Jerome
Kempling
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Kuntz
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Edmonton West)
Lang
Langlois
Laniel
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
Lundrigan
MacDonald (Cardigan)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
Madill
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Masniuk
Mather
Mazankowski
McCain
McGrath
McKenzie
McKinley
McKinnon
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neale (Vancouver East)
Neil (Moose Jaw)
Nelson
Nesbitt
Nesdoly
Nowlan
Nystrom
Oberle
Olaussen
Olivier
Orlikow
O'Sullivan
Ouellet
Paproski
Patterson
Pelletier (Hochelaga)
Penner
Peters
Poulin
Prud'homme
Railton
Reid
Richardson
Ritchie
Roche
Rose
Rowland
Roy (Timmins)
Roy (Laval)
Rynard
Saltsman
Sauvé (Mrs.)
Schellenberger
Scott
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart (Okanagan-Kootenay)
Rodriguez
Rompkey
Rooney
Stewart (Cochrane)
Symes
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Towers
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wagner
Walker
Watson
Whittaker
Wise
Woolliams
Yanakis
Yewchuk—216.

Mr. Deputy Speaker: I declare the motion lost. The question is on the main motion. Is it the pleasure of the House to adopt the said motion?

• (1740)

Some hon. Members: Agreed.

Mr. Deputy Speaker: Carried.

And more than five members having risen:

Mr. Baldwin: On a point of order, Mr. Speaker: the vote was carried.

Mr. Deputy Speaker: Order. I think the Chair is in some difficulty. Could I be allowed about ten seconds to get this matter straightened away?

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those against will please say nay.

An hon. Member: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Order. Is it agreed that the members are here?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: Call in the members.

Mr. Bell: How long do this phony politics have to go on with this government? Those bells are going to ring all night, so far as we are concerned.

The House divided on the motion (Mr. Lalonde) which was agreed to on the following division:

(Division No. 21)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Allmand
Andras
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Barnett
Basford
Beattie
(Hamilton Mountain)
Beaty
(Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Béchard
Bégin (Miss)
Bell
Benjamin
Blackburn
Blais
Blaker
Blenkarn
Blouin
Boisvert
Boulanger
Breau
Broadbent
Buchanan
Caccia
Cafik
Campbell
Caouette
(Charlevoix)
Caron
Carter
Chrétien
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Clermont
Coates
Comtois
Corbin
Corriveau
Côté
Crouse
Cullen
Cyr
Danforth
Danson
Darling
Davis
De Bané
Demers
Dick
Diefenbaker
Dinsdale
Dionne
Douglas
Drury
Dubé
Dupont
Duquet
Epp
Ethier
Fairweather
Fleming
Fortin
Foster
Fox
Frank
Fraser
Gauthier
(Roberval)
Gauthier
(Ottawa East)
Gendron
Gilbert
Gillespie
Gillies
Gleave
Godin
Goyer
Grafftey
Gray
Grier
Guay
(St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Harding
Harney
Hees
Hellyer
Herbert
Higson
Hollands
Hopkins
Horner
(Crowfoot)
Horner
(Battleford-Kindersley)
Howard
Howie
Hueglin
Hurlburt
Isabelle
Jarvis
Jelinek
Jerome
Kempling
Knight
Knowles
(Winnipeg North Centre)
Knowles
(Norfolk-Haldimand)
Korchinski
Kuntz
Lachance
Laflamme
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Lang
Langlois
Laniel
Laprise
La Salle
Latulippe
Lawrence
Leblanc (Laurier)
LeBlanc
(Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
Lundrigan
MacDonald
(Cardigan)
MacDonald (Miss)
(Kingston and the Islands)
MacEachen
MacGuigan
MacInnis
(Cape Breton-East Richmond)
MacInnis (Mrs.)
(Vancouver-Kingsway)
Mackasey
MacKay
MacLean
Macquarrie
Madill
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Masniuk
Mather
Matte
Mazankowski
McCain
McGrath
McKenzie
McKinley
McKinnon
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro
(Esquimalt-Saanich)
Munro
(Hamilton East)
Murta
Neale
(Vancouver East)
Neil (Moose Jaw)
Nelson
Nesbitt
Nesdoly
Nystrom
Olaussen
Olivier
Orlikow
O'Sullivan
Ouellet
Paproski
Patterson
Pelletier
(Hochelaga)
Penner
Peters
Poulin
Prud'homme
Railton
Reid
Richardson
Ritchie
Roche
Rodriguez
Rompkey
Rondeau
Rooney
Rose
Rowland
Roy
(Timmins)
Roy
(Laval)
Rynard
Saltsman
Sauvé (Mrs.)
Schellenberger
Scott
Sharp
Smith
(Northumberland-Miramichi)
Smith
(Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart
(Okanagan-Kootenay)
Stewart
(Cochrane)
Symes
Tétrault
Thomas
(Maisonneuve-Rosemont)
Towers
Trudeau
Trudel
Turner
(London East)
Turner
(Ottawa-Carleton)
Wagner
Watson
Whittaker
Wise
Woolliams
Yanakis
Yewchuk—228.

Division

NAYS

Messrs.

NIL

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

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, I rise on a point of order. Before the House rises I would like to ask the government House leader to indicate the business for tomorrow. Before he does that, may I say how much we deplore this childish and irresponsible act—

Some hon. Members: Hear, hear!

Mr. Baldwin: —put on by those people across the way who are masquerading as adults.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacEachen: Mr. Speaker, I wish to advise the House that tomorrow we will deal with the Emergency Gold Mining Assistance Act bill, followed by the Crop Insurance Act bill and the review and assessment of foreign acquisition of Canadian business bill.

Mr. Deputy Speaker: It being after six o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At 6:10 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX "A"

INTERNATIONAL MONETARY FUND

Press Release No. 964

For Immediate Release
March 27, 1973

Communiqué of the Committee of the Board of Governors on International Monetary Reform and Related Issues

1. The Committee of the Board of Governors of the International Monetary Fund on Reform of the International Monetary System and Related Issues (the Committee of Twenty) held their second meeting in Washington on March 26 and 27, 1973, under the chairmanship of Mr. Ali Wardhana, Minister of Finance for Indonesia. By the courtesy of the Organisation of American States the meeting was held in the Pan American Union Building. Mr. Pierre-Paul Schweitzer, Managing Director of the International Monetary Fund, took part in the meeting which was also attended by Mr. Wilhelm Haferkamp, Vice-President of the E.E.C., Mr. René Larre, General Manager of the B.I.S., Mr. Emile van Lennep, Secretary-General of the O.E.C.D., Mr. Olivier Long, Director-General of the G.A.T.T., Mr. Manuel Pérez-Guerrero, Secretary-General of the U.N.C.T.A.D., and Sir Denis Rickett, Vice-President of the I.B.R.D.

2. The committee received a report in which the chairman of their Deputies, Mr. Jeremy Morse, summarised the deputies' discussions to date on the adjustment process and exchange rate mechanism, reserve assets and convertibility, and capital flows.

3. The members of the committee reaffirmed the need for a world monetary order, based on cooperation and consultation within the framework of a strengthened International Monetary Fund, that will encourage growth of world trade and employment as well as economic development and will support the domestic efforts of monetary authorities throughout the world to counteract inflation.

4. The members of the committee exchanged views on the substance of international monetary reform in the light of recent developments in exchange markets and of countries' policy reactions to these developments, and instructed their deputies to take account of these events and their implications in their continuing work. The members of the committee recognised that the various elements of reform are inter-linked. Their discussion of a reformed system centered on the following points:

(a) There should be a better working of the adjustment process, in which adequate methods to assure timely and effective balance of payments adjustment by both surplus and deficit countries would be assisted by improved international consultation in the fund including the use of objective indicators. It was noted that the deputies are establishing a technical group on indicators. The importance of effective domestic policies for balance of payments adjustment was underlined. Members of the committee recognised that exchange rates must be a matter for international concern and consultation and that in the reformed system the exchange rate regime should remain based on stable but adjustable par values. It was also recognised that floating rates could provide a useful technique in particular situations. There was also general agreement on the need for exchange market stability and on the importance of fund surveillance of exchange rate policies.

(b) There should be better international management of global liquidity. The role of reserve currencies should be reduced and the S.D.R. should become the principal reserve asset of the reformed system. The deputies were asked to study further the conditions for a resumption of general convertibility, including questions relating to consolidation of excess reserve currency balances and to methods of settlement.

(c) An intensive study should be made of effective means to deal with the problem of disequilibrating capital flows by a variety of measures, including controls, to influence them and by arrangements to finance and offset them. It was noted that the deputies are establishing a technical group on disequilibrating capital flows, including those associated with Euro-currency markets.

(d) There should be a strong presumption against the use of trade controls for balance of payments purposes. Developing countries would, however, be exempt wherever possible from trade and capital controls imposed by other countries and their particular circumstances would be taken into account in assessing controls that they themselves felt it necessary to apply.

5. The members of the committee recognised the concerns of developing countries under current conditions and their interests in a reformed system. They affirmed the desirability on the occasion of the reform of promoting economic development and the flow or real resources from developed to developing countries.

6. The committee approved their deputies' program of future work. In directing the attention of the deputies to those aspects of reform which have an important bearing on the current situation, they recognised that procedures are already established for coordinating the work of the executive directors of the fund with that of the deputies. They noted that the deputies plan to expand their meeting schedule and to intensify their work between meetings, and they instructed the deputies to proceed urgently with the preparation of a draft outline of the reform, in which the major issues would be presented to the committee for decision.

7. The committee will meet again at a time to be proposed by the chairman in the light of the progress of the deputies' work.

HOUSE OF COMMONS

Thursday, March 29, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

VETERANS AFFAIRS

Third report of the Standing Committee on Veterans Affairs—Mr. Dupras.

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

* * *

AGRICULTURE

ANNOUNCEMENT OF DAIRY POLICY COMMENCING APRIL 1, 1973

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I wish to inform the House of the dairy policy for the year starting April 1.

The government has concluded that in order to ensure an adequate supply of dairy products for Canadian consumers, it is necessary to take steps to help dairy farmers meet the rising cost of production with which they have been faced, costs that have escalated rapidly in recent months due partly to worldwide shortages of feed grains and protein supplements.

It will be appreciated that in deciding on measures to that end, consideration had to be given to the present concern over food prices. The decision, therefore, is that only part of the increase will come from the market, and part from subsidy payments to producers for manufacturing milk and cream.

The Canadian Dairy Commission has been authorized to set its support price on butter, effective April 1, at 71 cents per pound; the level in the year just ending has been 68 cents. This is an increase of just over 4 per cent. It may be noted, however, that the new price is only 9 per cent higher than in 1967, which was the first year of the commission's operations. Over that six year period this works out to an average annual increase of slightly over 1 per cent.

The new support price on skim milk powder will be 35 cents per pound. The present price is 29 cents.

The support price for cheddar cheese, affective April 1 will be 60 cents per pound, up six cents from the level in effect in 1972-73 but below current market price.

The rate of direct subsidy to producers is to be increased by 20 cents per hundred pounds of milk, or 5.71 cents per pound butterfat. The total new rate will then be $1.45 per hundred pounds of milk, or 41.42 cents per pound of butterfat. The new rate will apply to quota deliveries of manufacturing milk and cream on and after April 1. It is considered that the changed relationship between the domestic and the international price for skim milk powder will necessitate the Canadian Dairy Commission increasing the rate of producer levy to 30 cents per hundred pounds of milk.

I should point out that it is not possible to state precisely the impact of these changes in terms of increased returns to producers, since the federal government does not set market prices paid to producers. Any such authority rests with provincial agencies. However, a straight calculation, if all the benefits were reflected in producer prices, equates with approximately 60 cents per hundred pounds of milk.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, first of all, I should like to thank the hon. Minister of Agriculture (Mr. Whelan) for his courtesy in making this statement available to our party in ample time to be aware of the announcement to the House today.

I should like to begin by saying that I am rather shocked at the statement that has been made today. This statement represents the government's reaction to the chaotic economic state of the dairy industry in Canada today. It represents for one year all the concentrated action of this government on behalf of an industry which, for many months and in many ways, has made direct representations to this government. It represents the government's action on behalf of an industry which has found that in the past year it has been unable to fully meet the dairy requirements of this country. It is all very well for the minister to intimate that poor weather conditions made it impossible for us to meet our commitments. However, this excuse does not hold true because this is not the first time in the last three or four years that the dairy industry has been put into a position where it could not meet our domestic requirements. What this policy represents to the dairy industry is the very minimum that the government considers necessary for sustaining this industry in Canada in a viable state.

• (1410)

It is unfortunate that the minister, who has a farm background, and this new government did not see fit at this time to change policy to such an extent that we might have had some indication of a long term policy for keeping this industry stable in the country.

Some hon. Members: Hear, hear!

Mr. Danforth: This is a most important industry to a tremendous number of farm families in this country, as well as to every consumer. Providing only minimum sustenance and just keeping this industry alive is not going to keep this industry viable in Canada. At a time

when other countries appreciate the value of our cattle and offer fabulous sums to the producers of this country for cattle which are exported, at a time when this government is encouraging the importation of dairy products into this country and at the very time when we need stability as never before if we are to combat high food prices, this is the policy the government has adopted in order to sustain and keep this industry viable.

I should like to say one thing in conclusion, Mr. Speaker, and it is this: The government and the Department of Agriculture cannot solve any of the problems in agriculture today if all they are concerned about is providing from day to day the most minimal assistance to this industry. It must operate on a basis of profit if we are to have the type of industry that Canadians can be proud of and one that will produce the food Canadians need.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, the other day I asked the minister some questions about dairy policy and cheese. He said he had been speaking with people in the dairy industry and that he would have answers. At any rate, this is a pretty weak answer, and I do not think it represents the comprehensive approach we need to take at this time to the dairy industry of Canada.

Yesterday, men representing a cheese factory in Ontario came to meet with my party. They asked if there was not some way in which they could get enough raw milk to keep that cheese factory going. At the same time the authorities in Saskatchewan are trying to persuade people to go into cheese production, after having driven farmers out of butter production three or four years ago. The statement that has been made to us in no way answers some of the real needs of the industry.

The minister did not tell us that we will need to import over 20 million pounds of butter this year; yet here we are, one of the largest agricultural producing countries in the world and we cannot produce enough butter for our own needs. We have been driving smaller farmers and smaller cheese factories out of production. Actually, the government gives them a bonus if they get out of production. Yet these same farmers and same cheese producers are begging to be allowed to produce more of their product, because they say there is an unlimited market, as far as they are concerned, for good Canadian Cheddar cheese.

The small amount of money that is being put up will help. I wonder if the minister thinks it will answer the purposes of those people whom he met in Smiths Falls. They told him they could not afford to hire enough help to effectively operate their dairy farm. I wonder if the minister thinks that the 1 per cent increase he is granting for this year under this policy, and about which he probably boasts, is going to meet the increased costs the dairy farmers in Canada have to absorb. I hope the minister has better plans and a better program for the dairy farmers of this country than that set out in the statement which he has made to this House today.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, first I would like to make a suggestion which I hope will cover all departments. Since the offices of the members are not all located in the same building, when a minister is to make a statement, would it be possible to send a copy to each member of the standing committee concerned, which in my opinion would be very helpful to all? I am not blaming the Minister of Agriculture (Mr. Whelan) because he surely sent a copy of his statement to our leader, but since our offices are in another building we can barely examine the statements before the opening of a sitting.

Mr. Speaker, I must say that we were eagerly waiting the statement of the Minister of Agriculture disclosing the dairy policy of the government for the year beginning on April 1, 1973.

In the statement that has just been made, I wish indeed that the minister had considered the increase in production costs which has occurred, particularly since the fall of 1972, because dairy producers have had to purchase more feed because of the poor crops in 1972.

Considering that production costs have gone up in the fall of 1972, I would have hoped at least that the increase announced today would be retroactive to November 1972. Would it be worse for farm workers to to benefit retroactively from the effects of one decision or the other than for workers of other industries who benefit from the retroactive effects of collective bargaining?

The long term objective of the Canadian Dairy Commission is to guarantee to dairy producers an income and stability comparable with those of other sectors of the economy, otherwise an industry could not today remain prosperous for long. The commission is also expected to maintain and boost the consumption of milk and dairy products in Canada.

• (1420)

If these two aims are not reached, the quality of food will be noticeably reduced, and with it the quality of life of our urban and rural populations.

It is a fact that the returns that industrial milk and cream producers are getting for their products have become totally unacceptable and must be raised further; representations to that effect have been made by the industrial milk producers, the Federation of Industrial Milk Producers and also the Canadian Federation of Agriculture.

I do think that all the minister's meetings with these organizations have been profitable, but more notice should have been taken of the representations that have been made.

Not so long ago, Mr. Speaker, the returns from the market, combined with direct subsidies to industrial milk producers, had finally, after years of insufficient income, reached a level sufficiently in excess of the overheads to allow something like a fair degree of remuneration. But in the last few months' costs have risen sharply all along the line, especially those of feed grain and mill feed.

Since November, the price of dairy mill feed with 16 per cent protein content has gone up from $70 to $100 a ton. That is why I claim that the increased subsidy rate should be made retroactive to November 1972, so as to guarantee industrial milk producers a reasonable income for their winter production. It is also urgent to solve the problem of feed grain without delay.

We sometimes hear people saying that the industrial milk producers are asking too much, or that they are incompetent and poor administrators, and that current prices should allow them ample returns. That is what some people say.

Strange, Mr. Speaker, that those people who act as experts in the forum of the dairy industry should not deal themselves in that production to give the example of their knowledge and the secret of their success. That would really help milk producers.

In conclusion, I say that I am always astounded to hear the comments when an increase in the cost of living is announced. It is always the same old story: if the cost of living goes up, the farmers are to blame, which is contrary to the facts. I therefore suggest that, to satisfy both producers and consumers, a discount should be decreed on the cost of dairy products, discount that would lower consumer prices and check rising prices. That discount would be made up to the producers by the Agricultural Stabilization Board through new credits made available to it by the Bank of Canada. In that way, both consumers and producers would be happy.

It is urgent that farm producers get a higher net income if they are to stay in business and if we want to encourage the young to go into farming.

In *La Terre de Chez Nous* dated March 21, Mr. Speaker, at least 50 auction sales were advertised, of which most were dairy operations.

The danger is serious. Unless more people devote their time to agriculture, there will be a shortage of Canadian farm produce. They will then have to be imported, at higher costs, and when a country depends on others for its food, it loses its freedom and security.

Those, then, Mr. Speaker, were the suggestions and remarks I wanted to make in all honesty, as a conclusion to my criticism. I hope the minister will keep that in mind and that he will recommend to the cabinet that they be adopted as soon as possible.

On concluding, if I may be allowed, Mr. Speaker—

Mr. Speaker: Order. A few minutes ago, I wanted to interrupt the hon. member for Bellechasse (Mr. Lambert), but as he indicated then that he was almost finished, I did not interrupt him. But he says again that he is about to conclude, and before he does, may I remind all hon. members about the provisions of Standing Order 15, and I quote:

A spokesman for each of the parties in opposition to the government may comment briefly, subject to the same limitation.

I emphasize the word briefly, and I dare hope that hon. members who offer comments in the future under the provisions of this order will do so as briefly as possible.

Mr. Lambert (Bellechasse): On a point of order, Mr. Speaker. I always respect the Chair, but I wish to raise a point of order to point out it is unpleasant for a French-speaking member who has important things to tell the House to hear all kinds of conversation which bother very much the member who has the floor.

Therefore, Mr. Speaker, I would like very much in the future—

Mr. Speaker: Order. I have to interrupt the hon. member again, but he will certainly be able to conclude his remarks. I quite agree with him and I would find it hardly acceptable that the hon. member for Bellechasse and all other members who express themselves in French are not getting as much attention as those who speak in English, according to Standing Order 15.

An hon. Member: Hear, hear!

* * *

[*English*]

WAYS AND MEANS

TABLING OF MOTIONS RELATING TO INCOME TAX, SALES TAX AND CUSTOMS TARIFF—DESIGNATION OF ORDER OF THE DAY FOR DEBATE

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I rise to table several notices of ways and means motions relating to income taxes, sales taxes and the customs tariff, pursuant to Standing Order 60, paragraph one. In part they supersede notices tabled at the time of my February budget, and in part they reintroduce proposals which I made to this House in my budget of May 1972. In view of the interest and importance we all attach to these matters, I should like to take a moment to outline the contents of the notices to the House.

Members of the House will be aware of the main income tax measures proposed in the two budgets. All are vitally important to Canadians, but enactment of some is more urgent than others. In particular, I am referring to the measures which affect taxpayers in the taxation year 1972. Many taxpayers who have filed, or will be filing by April 30, 1972 tax returns are affected by measures announced in the May and the February budgets. In respect of these taxpayers, final assessments cannot be made and refunds, where they are due to taxpayers, cannot be paid until parliament has acted. The highest priority therefore attaches to all the measures which affect the 1972 taxation year.

For this reason, the notices of ways and means motions I am tabling today affecting income taxes, and the bill which will be based upon them, will deal with the measures of the May and February budgets affecting taxpayers for the year 1972. These proposals include the increase in the old age exemption, the new education expense deduction, the new provisions in respect of medical expenses, the tax free transfer of the family farm to children upon death, the elimination of the ineligible investment test for small businesses and a number of items arising out of tax reform.

I also wish to table two further notices of ways and means motions covering the sales tax and custom tariff changes proposed in the May budget. In the main, the measures announced in the budget of last May took effect in 1972 and, therefore, should also be given prior consideration.

I would urge the House to deal expeditiously with these 1972 tax measures.

Some hon. Members: Oh, oh!

Ways and Means

Mr. Turner (Ottawa-Carleton): After these have been dealt with, parliament will be asked to consider those tax measures arising out of the May and February budgets which affect 1973 and subsequent taxation years. These will include matters such as the increase in the basic exemptions, the tax cut for individuals, the indexing of the personel income tax system, the tax reductions for manufacturing and processing industries, and the 1973 reductions in customs, excise and sales taxes.

I am confident that members of this House will agree that this is a sensible and orderly way to deal with the tax measures arising out of the May and February budgets.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): With the permission of the House I would ask that these notices be printed in the notice paper appended to *Votes and Proceedings.* And, Mr. Speaker, I would ask you, pursuant to Standing Order 60(2), to designate on orders of the day for consideration of these ways and means motions on Tuesday next.

[*Editors Note: For Text of Ways and Means Motions referred to, see Todays' Votes and Proceedings*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, if these matters that the Minister of Finance (Mr. Turner) has dealt with and the way in which he has dealt with them were not so serious for the country, the whole thing would be laughable.

Some hon. Members: Hear, hear!

• (1430)

Mr. Stanfield: You will notice of course that, first of all, the minister is replacing the Ways and Means notices that he presented at the time of his budget with some different Ways and Means notices. This is a complete abandonment of the tradition of this House that Ways and Means notices published at the time of a budget mean something. This is a further indication that what this government says one month will be replaced by something quite different the next month.

Some hon. Members: Hear, hear!

Mr. Stanfield: We will not know, Sir, whether the notices of motions the minister has yet to table will, in fact, vary his budget proposals until we see them and the bills that follow. The minister has proposed that the House should deal, first of all, with taxation matters relating to 1972. I certainly agree about the urgency of those proposals as they affect hundreds of thousands of individual Canadians. Here we are at tax filing time and, for openers, the Canadian taxpayer is faced with a complicated and confusing tax form with which even the experts are having a great deal of difficulty in coping.

Some hon. Members: Hear, hear!

Mr. Stanfield: If that were not enough in itself, an even more disturbing aspect of the current situation is that Canadians are being required to complete tax returns based on non-existent law. Surely, there cannot be a more damning illustration of the administrative incompetence of the government.

[Mr. Turner (Ottawa-Carleton).]

Some hon. Members: Hear, hear!

Mr. Stanfield: We had proposals put forward nearly 11 months ago by the Minister of Finance (Mr. Turner) promising higher tax exemptions and deductions for persons 65 years of age and older, for the handicapped, the disabled and the full-time student, to be retroactive to January 1, 1972. When these proposals were made the Minister of Finance and the Prime Minister (Mr. Trudeau) were front and centre taking the credit, yet they did not even have the simple decency to enact them into law before calling an election which did not work out quite as well for them as they had hoped.

Some hon. Members: Hear, hear!

Mr. Stanfield: Now, thousands of tax refund cheques are being held up because this government did not take its responsibilities seriously, and these promises were left hanging in the air prior to the election. The government waited two months after the election before asking the House to meet; it waited for three more months before introducing these measures into the House, yet the Minister of Finance, who must rate now as one of the greatest comedians of all times—

Some hon. Members: Oh, oh!

Mr. Stanfield: —stands up in the House and says: "I would urge the House to deal expeditiously with these measures".

Some hon. Members: Oh, oh!

Mr. Hees: He is out to bring vaudeville back.

Mr. Stanfield: The Minister of Finance must have a lot of brass to stand up in the House of Commons and say that. I do not think he is likely to tender his resignation very easily. I can assure him that by comparison with the record of the government since May in respect of these proposals, this House will act relatively very expeditiously.

I agree that these 1972 proposals are urgent for the reasons I have given, which are familiar to all. Why can we not have a little frankness and openness from the Minister of Finance? Why can we not have all the Ways and Means proposals before us so that we can look at them all together? We now have the budget proposals of 1972, the budget proposals of 1973 and we have part of the Ways and Means motions relating to both budgets.

Mr. Fairweather: And we also have Lewis's proposals.

Mr. Stanfield: What has happened to the corporate tax proposals for 1972?

An hon. Member: They are gone.

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Benson looked pretty good.

An hon. Member: He is chicken.

Mr. Stanfield: Surely, it is a tradition of this parliament that when we have budgets and proposals put before the

House we have all those proposals before us so we know that with which we are dealing. Some cynics might say that the Minister of Finance has not yet got the approval of his colleagues to proceed.

Some hon. Members: Hear, hear!

Mr. Stanfield: Some might be inclined to say that the Minister of Finance is not very much concerned with getting the 1972 laws straightened out so that people can file tax forms in conformance with the law and get their tax rebates, while others might say he is not as much concerned about that as he is in buying some time for himself.

Some hon. Members: Hear, hear!

An hon. Member: Chew on that one for a while.

Mr. Stanfield: I am a very innocent man.

Some hon. Members: Oh, oh!

Mr. Stanfield: All I know about relations within the government and between the Minister of Finance and the Prime Minister, Sir, is what I read in the *Globe and Mail.*

Some hon. Members: Hear, hear!

Mr. Stanfield: I am nearly finished, Mr. Speaker. In view of the slipping and sliding, the assertions one month and the denials the next—

An hon. Member: Suck and blow.

Mr. Stanfield: —surely this House is entitled to have all the Ways and Means notices before it. The government can choose the order in which it wishes to deal with them in the House. Surely, we are entitled to have all these things, Sir, and I simply ask the House, through you, Sir, what kind of way is this to run the country?

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for York South.

Mr. Hees: Here comes the junior member.

Mr. Nielsen: The deputy prime minister.

Some hon. Members: Oh, oh!

Mr. David Lewis (York South): You have had your opportunity, and now you should sit still. Mr. Speaker, I am just as innocent as the hon. Leader of the Official Opposition (Mr. Stanfield).

Some hon. Members: Oh, oh!

Mr. Lewis: My friends who are cynics suggest that one of the reasons the Minister of Finance (Mr. Turner) may be delaying some of the other proposals he would put before us is that he is anxiously waiting to find out what the policy of the official opposition may be on them.

An hon. Member: We now hear from the political happy hooker.

Some hon. Members: Hear, hear!

Mr. Fairweather: Last Friday's vulture.

Mr. Lewis: It is, Mr. Speaker—

An hon. Member: Absolutely useless.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I think I should bring to the attention of hon. members that the hon. member for York South (Mr. Lewis) has the floor and should be given an opportunity to be heard.

Some hon. Members: Hear, hear!

• (1440)

Mr. Lewis: I have an uneasy feeling, Mr. Speaker, that the members of the Conservative Party feel a little uncomfortable today,—

Some hon. Members: Ho, ho.

Mr. Lewis: —hence their attitude. I was going to say it is perfectly reasonable in a minority parliament for the government to be concerned about what is the position on this issue of the various parties in this House, particularly the second largest party. I sympathize with the Minister of Finance if he is having difficulty ascertaining precisely what the position may be. It is, of course, correct to criticize the minister and the government for the lateness of these particular proposals. It is of course, correct that many thousands of Canadians have been inconvenienced by that fact. However, I want to say that it is a reasonable and sensible proposal at this late date to deal with matters that concern the 1972 taxation year, and the Leader of the Opposition knows it is sensible and reasonable to do that.

My comments will not be long. I have not seen what is in the motions which the minister has tabled, but since these motions are limited to those matters affecting the taxation year 1972 which concern individual taxpayers only, so far as my colleagues and I are concerned we will have no difficulty in giving every assistance to having these measures passed as quickly as possible so that the Canadian people affected will have the laws that they need before making their final decision with regard to what they owe the treasury before April 30, 1973. We will have no difficulty in supporting the bill that will follow that resolution because it deals with relief to individual taxpayers in Canada, although I repeat what we have often said, that we would prefer a tax credit system instead of a system of personal exemptions which necessarily favours those with higher incomes and not those with lower incomes to the same extent. But since these higher exemptions affect, so far as this motion is concerned, the old age pensioners in this country, that is all the more reason this parliament ought quickly to adopt the bill which will follow the resolutions, and so far as my colleagues and I are concerned we shall assist in doing this.

In conclusion, I want to say very simply that I note the minister stated that at some time in this parliament he will bring back other measures. I want merely to repeat what I have already said, that when the concessions to the corporations indicated in the May 1972 budget are before

this House we are as firm in our opposition to them now as we have been.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I thank the Minister of Finance (Mr. Turner) who has just supplied us with the French text of his statement.

Mr. Speaker, I do not want to repeat the remarks of the two previous speakers, which were to the point, but certain words cannot go without some comment from our corner of the House, specifically on page 2 of the minister's statement, from which I quote:

I would urge the House to deal expeditiously with these 1972 tax measures.

Dealing expeditiously with 1972 tax measures, when we are in April 1973 is a mockery of the taxpayers, specially those, thousands of them, who have already paid out fees to accountants for preparation of their tax returns on time, because they do not always leave them to the last minute. The minister indeed recognizes this in his statement, saying on page 1, and I quote:

Many taxpayers who have filed, or will be filing by April 30, their 1972 tax returns are affected by measures announced in the May and the February budgets. In respect of these taxpayers, final assessment cannot be made and refunds, where they are due to taxpayers, cannot be paid until parliament has acted.

Now, Mr. Speaker, those measures are not yet known to us and we have before us today clear proof that some taxpayers, or most of them, will have to make out new returns, as a result of the new measures. They will have to pay out professional fees again for drawing up this second return, all because of the Minister of Finance's lack of foresight in not announcing at least a month or 60 days in advance the measures he will be introducing next Tuesday.

That shows, Mr. Speaker, that once again politics are being practiced to the detriment of low-income Canadian taxpayers, and also that the present parliament—and because of parliament all of us—do not know where it is headed for in the fiscal field.

The Minister of Finance might announce other measures tomorrow. When will it end? He may announce new measures to amend tax regulations or the May or February budgets.

It is ridiculous, Mr. Speaker, to see that the Minister of Finance who, I admit, is a nice fellow, since he has taken part in some very popular contests in Quebec, does not make more "attractive" his tax measures and recommendations, which will clearly not be passed next Tuesday. These new measures will force thousands of taxpayers to revise their tax returns, taxpayers who have already been puzzling over them for months, only to have to start afresh in the light of the minister's statement.

I consider that the Minister of Finance ought to make more "attractive" and clearer, not only his statements and the programs on which he works, but also his financial and fiscal policy.

[Mr. Lewis.]

[*English*]

AGRICULTURE

SUGGESTED REIMPOSITION OF TARIFFS ON LIVESTOCK—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I rise on a matter of urgent and pressing necessity to seek unanimous consent of the House to move a motion under the provisions of Standing Order 43. My motion concerns every livestock producer in Canada in that hog prices in the United States have dropped $13 in the last two weeks, which is a 24 per cent drop, and live cattle prices have dropped $3 and are still dropping. There is now clear evidence that both hog and cattle prices in Canada are following the same pattern. Canadian hog prices have now dropped 20 per cent in two weeks, no doubt triggered by the Japanese withdrawal from our Canadian pork market.

Mr. Speaker: Order, please. Would the hon. member resume his seat? I hesitate, of course, to interrupt the hon. member for Medicine Hat, but I think it is a well recognized practice and precedent in connection with motions under Standing Order 43 that any explanation for the information of the House in support of the motion should be very brief. Members should not argue the case. It is only when a motion is accepted that the hon. member can make a speech in support of the motion that would then be under consideration. I am sure the hon. member would want to be brief.

Mr. Hargrave: Thank you, Mr. Speaker. I will come to my motion.

• (1450)

I therefore move, seconded by the hon. member for Kent-Essex (Mr. Danforth):

That the Ministers of Finance and Agriculture be requested to immediately reimpose the Canadian tariffs, recently removed by the current budget, on livestock and livestock products in order that panic marketing conditions do not become a serious threat to our Canadian livestock industry.

Mr. Speaker: The motion proposed by the hon. member requires unanimous consent. Is there unanimity?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The hon. member's motion cannot be put.

* * *

BUSINESS OF THE HOUSE

MOTION DESIGNATING HOURS OF SITTING FOR FRIDAY MARCH 30, 1973

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I would like to move two motions having to do with the visit of the President of Mexico to the House tomorrow. I move, seconded by the Minister of Transport:

That on Friday, March 30, 1973, the House shall meet at 10.00 o'clock a.m. and adjourn at 11.00 o'clock a.m. when the Daily Routine of Business (Standing Order 15(1) and (2)) shall be considered and disposed of; and that a second sitting of the House be held from 2.00 o'clock p.m. to 5.00 o'clock p.m., when the order of business shall be as provided for in section (4) of Standing Order 15.

I may explain that the interruption in the proceeding is necessary in order to arrange the chamber for the address of the President of Mexico, which will take place at noon.

[*Translation*]

Mr. Speaker: The House has heard the motion by the President of the Privy Council. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Mr. Speaker: It is agreed and so ordered.

Motion agreed to.

[*English*]

It is agreed and so ordered.

* * *

HOUSE OF COMMONS

PRINTING OF ADDRESS OF PRESIDENT OF MEXICO AS APPENDIX TO DEBATES OF MARCH 30, 1973

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, may I anticipate tomorrow by making a second motion. I move, seconded by the Minister of Transport:

That the Address of the President of Mexico, Mr. Luis Echeverria, to be delivered on March 30 before the Members of the Senate and of the House of Commons, in the Chamber of the House of Commons, together with the introductory and related speeches, be appended to that day's Debates and thus form part of the records of this House.

[*Translation*]

Mr. Speaker: The House has heard the motion by the President of the Privy Council. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

AIR TRANSPORT

FREIGHT TRANSPORT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss a very urgent matter.

Since the Quebec Planning and Development Bureau has conducted a study on the air transportation of goods and that its report is a matter interesting the entire country, I move, seconded by the hon. member for Portneuf (Mr. Godin):

That this House do refer to the Standing Committee on Transport and Communications the report concerning the Mirabel airport and report to the House in the shortest possible time.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

WAYS AND MEANS

FAILURE TO TABLE ALL WAYS AND MEANS MOTIONS—REQUEST FOR EXPLANATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Finance. Granting the appropriateness of proceeding first with the measures relating to 1972 income, I would like to ask the minister if he has any explanation as to why he has not tabled today the Ways and Means motion relating to the other fiscal measures with which he intends to proceed?

Hon. John N. Turner (Minister of Finance): Those will be brought forward in due course, Mr. Speaker, and the hon. gentleman will have an opportunity to examine them.

Mr. Stanfield: Mr. Speaker, I would like to ask the hon. gentleman, because I would not want to criticize him unfairly, if he has any reason for departing from the well established traditions of this House in not tabling these other measures along with the ones that he did table?

Mr. Turner (Ottawa-Carleton): As I suggested earlier, perhaps the most urgent matter to clarify is the 1972 tax year and the best way to proceed would be to deal first with ways and means for the 1972 tax year. When these are disposed of, the measures I announced in the House relating to the 1973 tax year, as announced in the May and February budgets, will be introduced.

REQUEST FOR ASSURANCE NO CHANGE WILL BE MADE IN WAYS AND MEANS MOTION RELATING TO 1972 CORPORATION TAX

Hon. Robert L. Stanfield (Leader of the Opposition): I would like to ask the Minister of Finance whether he can give the House an assurance that the notice of the ways and means motion he will introduce relating to the corporation tax cuts will be precisely the same as the notice of ways and means motion that he tabled in 1972, and followed up by the legislative bills?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not want to cause the hon. gentleman too much concern but the government remains committed to introducing, at an early date, after disposition of the resolutions just introduced today, the budget measures that I announced in the May and February budget addresses, and he will have an opportunity to compare texts at that time.

* * *

PROCEDURE AND ORGANIZATION

REQUEST FOR REFERENCE OF STANDING ORDER 60 TO COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would like to ask the Chairman of the Standing Committee on Procedure and Organization who was here a few minutes ago—someone may give him notice of this—whether in light of the extraordinary method adopted by the Minister of Finance, he would suggest that his committee review the provisions of Standing Order 60 so that this disgraceful and disorderly way of handling the fiscal and budgetary matters of this country can be brought under control?

* * *

MANPOWER

SUGGESTED IMPROVEMENT IN REFERRAL PROCEDURES—ALLEGED REFUSAL OF PURE SPRING TO HIRE THOSE REFERRED

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of reports that Manpower offices, because of lack of adequate staff, continue to send job seekers to positions that have either been filled or to employers who list jobs with Manpower but who are unwilling to hire those applicants referred by Manpower, could the minister briefly inform the House what measures are being taken to improve the Manpower counselling and referral services, so as to serve better those who are seeking jobs.

Mr. Speaker: I suggest to the minister that if he replies to this question he should do so briefly. Normally, the information sought should be given by way of a statement on motions. The minister will be recognized for the purpose of replying briefly.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as to the first part of the question and the criticism of Manpower offices, as I have often done in the past, again I say that I would welcome specifics. It is difficult to deal with generalities in a question such as this. Since the second part of the hon. member's question would take a great deal of time to answer. May I say that I intend to make a comprehensive statement to the Standing Committee on Labour, Manpower and Immigration in the not too distant future when the estimates of my department come up for consideration by it.

[Mr. Stanfield.]

Mr. Rodriguez: Specifically, Mr. Speaker, would the minister investigate and report to the House why the Ottawa Manpower office continues to send job seekers on a wild goose chase, after more than 20 qualified candidates have been referred to Pure Spring of Canada Ltd. in Ottawa and the company has refused to hire any of them?

Mr. Andras: I will look into the representation, Mr. Speaker.

* * *

WELFARE

ALLEGED WITHDRAWAL OF PAMPHLET, "WHEN YOUR UIC BENEFITS RUN OUT, WHAT THEN"—REQUEST FOR EXPLANATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Health and Welfare. It concerns the recent decisions by the minister who just spoke whose department, when dealing with a number of people who were laid off had then removed from the UIC rolls. In many cases, these people ended up on welfare. The question concerns a pamphlet which until recently was distributed by his department entitled, "When Your UIC Benefits Run Out, What Then?"—

Mr. Speaker: Order, please. Would the hon. member ask a question. It seems to me that the preliminaries are a bit long.

Mr. Broadbent: I am coming to it right away. My question is that this pamphlet was widely distributed, and yet it has been recalled in the last few days from circulation, on the grounds—

Mr. Speaker: Order, please. The hon. member is being recalled to order.

Mr. Broadbent: The question is, Mr. Speaker: could the minister inform the House why it was withdrawn, and what misstatements of information are in this pamphlet?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the brochure in question must have been widely distributed, because it was not even distributed to the minister! I do not know, therefore, to what the hon. member is referring, and not having seen the brochure before it was distributed I cannot even tell why it was recalled. I have never heard of it.

Mr. Speaker: The Chair will recognize the hon. member for Peel South on a supplementary and then the hon. member for Portneuf.

• (1500)

MANPOWER

SUGGESTED COMBINING OF MANPOWER AND UNEMPLOYMENT INSURANCE OFFICES—GOVERNMENT POSITION

Mr. Don Blenkarn (Peel South): A supplementary question for the Minister of Manpower and Immigration. Would the minister advise the House if he is proposing to introduce legislation to combine his Manpower offices and his UIC offices, as he suggested in committee some weeks ago?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not think I ever suggested that I was on the verge of introducing such legislation. I said we were examining the relationship between UIC and Manpower with a view to providing greater co-operation, but there was no suggestion of bringing forward legislation to do that.

Mr. Blenkarn: A further supplementary. Would the minister then give the House the details of the investigation concerning the relationship between manpower and UIC, and could he explain briefly to the House why these two units under his department are not combined?

Mr. Andras: Mr. Speaker, the decision to separate the two operations was taken some six or seven years ago, I think, after fairly thorough discussion in this House. We are examining the whole issue in the light of current conditions, and situations, and I made such a comment before the committee. I will be glad to discuss it before the committee in detail again when the opportunity arises.

* * *

[*Translation*]

AIR TRANSPORT

CENTRALIZATION OF FREIGHT TRANSPORT AT MIRABEL AIRPORT—MINISTER'S POSITION

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Minister of Transport.

Has the minister seen the report commissioned by the Quebec Planning and Development Bureau with reference to the methods for updating air transport? If so, does the minister intend to initiate the project involving the advantages of centralizing air freight at the Mirabel airport?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have read in *La Presse* that this report had simply been published before it was due, that is, *La Presse* found a copy and published it yesterday. I am waiting to have it officially conveyed to me before making some comments.

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

Since experts claim that carrying out the project would apparently lower transportation costs and that the project cannot be completed without the minister's intervention, can he tell us what steps he intends to take to that effect?

Mr. Marchand (Langelier): If the hon. member says that it can be done without my intervention, I will let the experts act, Mr. Speaker.

Mr. Roch La Salle (Joliette): Mr. Speaker, keeping the two previous questions in mind, I should like to put a supplementary to the Minister of Transport.

Could the Quebec government take a decision without consulting the federal government?

* * *

[*English*]

COMMUNICATIONS

TELECOMMUNICATION RATE INCREASES

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is directed to the Prime Minister. In light of his reply to the Leader of the Opposition yesterday and in the absence of the Minister of Communications, is the Prime Minister now prepared to report to the House on a discussion he may have had with that minister with regard to the large increases granted CN-CP Telecommunications?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid I have not had time to discuss that matter with the Minister of Communications since I answered the question in the House yesterday or the day before.

Mr. Horner: Mr. Speaker, from the way in which the cabinet has handled this matter, can we assume that it has a low priority and they are actually granting approval of this 50 per cent increase?

Mr. Trudeau: No, Mr. Speaker, but the law provides for a certain delay during which the cabinet can consider these matters. We intend to respect this delay, but we found it more important today to settle the dairy products policy and the tax policy.

* * *

AIR CANADA

ELIMINATION OF UNITED STATES CUSTOMS PRECLEARANCE FACILITIES AT TORONTO, MONTREAL, WINNIPEG AND VANCOUVER

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I have a question for the Minister of Transport. Would the minister advise what action he is prepared to take to halt the unfortunate downgrading of airline services by Air Canada through the elimination of United States customs preclearance facilities at Toronto, Montreal, Winnipeg and Vancouver?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, it has nothing to do with downgrading services. I am told that the United States have refused customs clearance or preclearance at airport No. 2 in Toronto. Such a refusal put Air Canada in an unfavourable position. I know that since then the U.S. government has reacted and we are to meet its representatives to see whether it is

possible to solve this extremely delicate problem, as the interests of Air Canada, this important Canadian company, are at stake.

[*English*]

Mr. Atkey: Mr. Speaker, a supplementary question. For clarification, could the minister tell the House whether the actual reason for the elimination of preclearance was to save Air Canada money or to put American Airlines operating out of Toronto and Montreal at a competitive disadvantage, or was it because of the inability of the minister and his officials to reach a suitable agreement—

Mr. Speaker: The hon. member for Grenville-Carleton.

* * *

PUBLIC SERVICE

SALARIES PAID TO CERTAIN EMPLOYEES—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the President of the Treasury Board. In view of the statement by the President of the Public Service Alliance that 22,000 public servants are living at or near the poverty line, and that there is certain to be a confrontation between the Public Service Alliance and the government, could the minister tell the House whether the government has been looking into this problem and whether he has prepared a defence of the salary system as it applies to a large number of federal employees who are bordering on poverty?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think the hon. gentleman is well aware that the salary levels are arrived at by a process known as collective bargaining, resulting in agreement.

Mr. Baker: A supplementary question. With respect to the negotiation of a collective bargaining agreement, will the minister undertake to act with more speed than his colleague the Minister of Finance has demonstrated in this House today?

* * *

ENERGY

OIL—SUGGESTED RESTRICTION ON EXPORTS TO BRING INTO BALANCE WITH IMPORTS—PLANS TO ASSURE SECURITY OF SUPPLIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Since for the third consecutive year the Alberta crude oil conventional reserves have declined by some 293 million barrels, and for Canada as a whole by 430 million barrels, has the minister given any thought to the advisability of restricting the export of Canadian crude oil at least to a point that will balance with our imports so that Canada might not be a net exporter of crude oil?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we would not propose a restriction until the public hearings, which as the hon. member knows the National Energy Board will be holding into this question, can provide an opportunity for interested members of the public to comment on the export control system. It may well be that, as a result of those hearings, some lower level of export than that now imposed by the National Energy Board would be deemed advisable. In that event, that would be the system that would be adopted.

Mr. Douglas: A supplementary question. In view of the fact that the latest figures just published indicate a life index for conventional crude oil supplies of 17 years—Dr. North yesterday gave the standing committee a figure of 15 years—has the minister any long-term plans for guaranteeing security of supplies, such as developing the tar sands of Alberta or any other measures so that Canadians may be assured that the government is dealing with this problem instead of waiting until the crisis is upon us?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member mentioned Dr. North's prediction of a crisis in 15 years. Perhaps he might allow me a month or so until we can hear from the public and he can read the government's study into reserves.

Mr. Douglas: A supplementary. In view of the fact that we have been waiting four years for a report on the national energy policy, I would think that the minister has had ample time and so has the government.

* * *

ST. LAWRENCE SEAWAY

POSSIBILITY OF INCREASE IN TOLLS

Mr. S. Victor Railton (Welland): Mr. Speaker, this is my first question in the House, but I hope I will have many in the next few years.

An hon. Member: You will—over here.

Mr. Railton: My question is directed to the Minister of Transport. Because the riding from which I come, Welland, is bisected by the Welland Canal and in view of the opening of the St. Lawrence Seaway yesterday can the minister inform the House whether the Seaway Authority intends to increase tolls this year?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am certainly not ready to recommend to the Cabinet any increase in seaway tolls this year.

• (1510)

Mr. Speaker: Order, please. I think the hon. member for Edmonton Centre has a supplementary to a previous question.

AIR CANADA

CONSULTATION WITH EXTERNAL AFFAIRS DEPARTMENT ON DECISION TO ELIMINATE U.S. CUSTOMS PRECLEARANCE AT CERTAIN AIRPORTS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is supplementary to a previous question asked about United States Customs clearance. It is addressed to the Secretary of State for External Affairs. Did Air Canada consult the Department of External Affairs on its decision respecting U.S. Customs clearance, and was this approved by the Department of External Affairs?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, there have been very close and continuous consultations among the Department of Transport, Air Canada and my department.

Mr. Paproski: Mr. Speaker, may I ask a supplementary question. It is supplementary to a question asked on a previous day. I have been trying to get up for the last three of four days. It is a short question.

Mr. Speaker: Order, please. The hon. member will be recognized later for his supplementary dealing with a different question. The hon. member is not the only one who has been seeking the floor.

* * *

DRUGS

INQUIRY AS TO TABLING OF LEDAIN COMMISSION FINAL REPORT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I address a question to the Minister of National Health and Welfare. As it is a known fact that the increasing incidence in the use of marijuana in Calgary, Edmonton and other cities in Alberta has resulted from its spread from Vancouver, when will the LeDain Commission Report be published or tabled in the House and what are the reasons for its being delayed? May I ask another question. Is there any other report dealing with the incidence of the use of heroin?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all I wish to thank the hon. member for asking the question when I am in the House and for not making useless and unfounded charges. As I have said several times in this House, the report of the LeDain Commission is not complete. The Commission expects to complete that report at the end of this month, March. I have not had a recent report from the chairman as to when it is going to be completed. When the report is completed it will take a few weeks, as the chairman advises me, to have it translated and ready for publication. It would probably be June before the report is available to me. At present I do not have that report, and as far as I know it is not even completed. As soon as I receive the report I will be pleased to release it.

As to the other question, there is no other report, so far as I know, on the subject of heroin being prepared for the government.

IMPORTATION OF MARIJUANA—SUGGESTED REDUCTION OF CHARGES TO TRAFFICKING OR POSSESSION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I ask the Minister of Justice a supplementary. Since the first report of the LeDain Commission recommended that the penalty upon conviction for an offence involving soft drugs should be a fine, I am asking if the minister will give serious thought to those cases involving young people who, are charged with importing marijuana into Canada, for which the penalty is a minimum of seven years—inasmuch as people charged and convicted of murder get out of penitentiary sooner than that—and use his prerogative as Attorney General of Canada with respect to those charges pending which he knows about, and one in particular, and reduce the charges to simple trafficking or possession?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I think the Minister of National Health and Welfare could more properly confirm, but would not mind my confirming, that the government position following the first report of the LeDain Commission is as it was stated by the Minister of National Health and Welfare several months ago, and that legislative steps to put that into operation will be taken. I have indicated to the hon. member that, so far as these prosecutions within my jurisdiction are concerned, there are on occasion some difficult questions relating to whether or not the discretion he urges can be exercised. It is considered important, as far as the government is concerned, to restrict the illegal importation into Canada of drugs and the trafficking in those drugs. We, therefore, must take steps which effectively limit the importation and trafficking in marijuana as well as in the harder drugs.

Mr. Woolliams: Mr. Speaker, may I ask another short question?

Mr. Speaker: Order, please. The hon. member will be recognized for his supplementary question, but I seek the co-operation of hon. members in limiting supplementaries.

Mr. Woolliams: I will make the question brief, Mr. Speaker. Will the minister give his assurance, and I am sure this question is of concern to young people at university and other young people charged for the first time with the offence of bringing marijuana or hashish into the country, that first offenders will not be charged with an offence under the Narcotic Control Act, under which the minimum penalty is seven years, a penalty which the judge cannot change? That is the question.

Mr. Lang: Mr. Speaker, where it is possible to view the possession of marijuana as simple possession we may well, in those circumstances, find it appropriate to lay a possession charge, even if the facts support an importation charge. But I should like to say to the hon. gentleman that I would not encourage anyone to rely on that, particularly if the circumstances are such that the offence appears to have been committed in the course of commercial importation, because the people concerned may face the stiff penalties which exist now for importation.

[*Translation*]

FINANCE

SUGGESTION BANK OF CANADA BUY WHOLE OF APRIL 1 BOND ISSUE

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

Since a $480 million Canadian bond issue will be offered on April 1 and that the Bank of Canada has already indicated it would buy $250 million worth of these, has the Minister of Finance not tried to convince the Bank of Canada authorities to buy all these bonds in order that this organization may finance 100 per cent of this issue and thus leave more savings to finance private industry?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the question is detailed enough to prompt me to answer the hon. member in writing.

* * *

[*English*]

NATURAL RESOURCES

STATEMENT BY MINISTER OF REGIONAL ECONOMIC EXPANSION THAT MORE PROCESSING MUST BE DONE IN CANADA—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to direct a question to the Prime Minister, if I may. In light of the current statement by the Minister of Regional Economic Expansion that Canada must process more of her resources at home and that the federal government should work with the provinces to calculate the best ways to process resources locally—that being a very sensible policy if I may say so—has the government finally decided to take up the call by the governments of Ontario and of other provinces to establish machinery to work out a co-ordinated resource processing and export strategy? If so, has there been any suggestion for a meeting on this matter at this time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to consult with the minister to see if this particular suggestion has been discussed with Ontario officials; but I would remind the hon. member that if he wants to encourage manufacturing and processing in Canada, he will have occasion to do so when he supports the measure to be put forward by the Minister of Finance in a few days.

Mr. Hees: He has been waiting for 11 months to look at it.

Mr. MacKay: Mr. Speaker, I do not quite follow the Prime Minister's logic. May I ask a supplementary question? Does the statement on resource development or on manufacturing and processing in Canada indicate that this government has adopted a more integrated regional development strategy than formerly?

Mr. Trudeau: Mr. Speaker, on the preamble, I am afraid, alas, that indeed the opposition will not follow our logic on this or any logic at all. On the second question, I will have to look into the matter.

[Mr. Lang.]

AIRPORTS

VANCOUVER INTERNATIONAL EXPANSION—REQUEST BY SEA ISLAND RESIDENTS FOR MEETING WITH MINISTER OF TRANSPORT

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Transport. Has he received a telegram from the residents of Sea Island requesting that he meet with them this weekend when he will be in Vancouver for the tri-level meeting? Also, has he answered that telegram and agreed to have a meeting with those people?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I heard from the department that I had received a telegram. I have not read it. Part of it was read to me over the telephone. I will be glad to meet a group of people who are concerned, of course, but I am not ready to receive a group that could be organized by somebody else. However, I am ready to see the people interested.

Mr. Reynolds: A supplementary question, Mr. Speaker. Will the proposals by the Minister of Transport and the Minister of the Environment regarding the Burkville area of Sea Island be discussed at this meeting the minister will have with those people?

Mr. Marchand (Langelier): Mr. Speaker, I missed the first part of the question.

Mr. Reynolds: Will the proposals that were promised by the Minister of Transport and the Minister of the Environment regarding the Burkville area of Sea Island be considered at the meeting which the minister will have with the people of Sea Island this weekend?

Mr. Marchand (Langelier): Mr. Speaker, if promises were made, they will to that extent be upheld by me.

VANCOUVER INTERNATIONAL EXPANSION—REQUEST FOR TABLING OF REPORT ON EXPROPRIATION HEARINGS AND STATEMENT BY MINISTER

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is on the same subject and is supplementary to the previous question. May I ask the Minister of Public Works when he intends to table in the House a copy of the Wolfe report dealing with the expropriation hearings necessitated by the expansion of Vancouver International Airport? Mr. Wolfe was the hearing officer.

[*Translation*]

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I thank the hon. member for his notice. The tabling of this report is not required by law, but since the hon. member has asked me, I shall be pleased to table it at the next opportunity.

• (1520)

[*English*]

Mr. Rose: Mr. Speaker, I have a brief supplementary question. According to Section 11 of the Expropriation Act, where effect is not given to expropriation objections, a statement by the minister outlining his reasons for pro-

ceeding in spite of the objections must be forthcoming. I ask the minister when the House or the people affected can expect such a statement from the minister.

Mr. Dubé: Mr. Speaker, normally this statement is to be mailed to the people affected.

* * *

EXTERNAL AFFAIRS

RESPONSE BY FRANCE TO CLAIM FOR DAMAGES TO "GREENPEACE III"

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I am glad this is Fraser Valley day. My question is with reference to the claim of Captain David McTaggart against the government of France for damages to his vessel *Greenpeace III* when rammed by a French warship in the South Seas on June 30, 1972. I wish to ask the Secretary of State for External Affairs if there has been any recent response from the French government acknowledging responsibility for the damages to *Greenpeace III* in view of the fact the incident took place in international waters?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. We have been advised that a reply has been prepared by the French government to Captain McTaggart's claim. The delay is apparently being caused by the formation of a new French government. We are in touch and trying to expedite the reply as quickly as possible.

* * *

HEALTH

SHORTAGE OF RADIOTHERAPISTS—STEPS TO SOLVE PROBLEM

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to address my question to the Minister of National Health and Welfare. In reply to a question regarding the acute shortage of radiotherapists, the minister stated he had already discussed this problem with his provincial colleagues and the solution of it would take some time. I wish to ask the minister if he is aware that over half the radiotherapists now operating in Canada come from other countries and what steps are being taken to explore those other countries for likely candidates to be brought here to treat cancer?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would answer yes to the first part of the question. As to the second part, the hon. member knows the immigration regulations as well as I do and is aware that a great many doctors from all parts of the world emigrate to Canada. My colleague, the Minister of Manpower and Immigration, could give a more detailed answer as to the application of these regulations and the possibility of making easier the entry of doctors into our country.

[*English*]

Mr. Rynard: A supplementary question. As the Minister of National Health and Welfare is a member of the cabinet, will he convey this message to him?

Mr. Lalonde: I have already done so, Mr. Speaker.

* * *

CANADIAN BROADCASTING CORPORATION

COMPLAINTS ABOUT QUALITY OF TELEVISION PROGRAMS WHEN CHILDREN ARE WATCHING

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, my question is for the Secretary of State. Has the Secretary of State recently been receiving complaints from concerned parents about the quality of programs over the CBC during hours when children are normally watching television, namely between the hours of four in the afternoon and nine in the evening? The complaints in question concern excessive use of alcohol, violence and obscenities.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I am not aware of this. I will be very pleased to look into it.

* * *

YOUTH

REQUEST FOR TABLING OF EVALUATION REPORT ON 1972 OPPORTUNITIES FOR YOUTH PROGRAM

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Secretary of State. Can the minister inform the House why he is withholding publication of the evaluation report on the Opportunities for Youth program?

Hon. James Hugh Faulkner (Secretary of State): Yes, Mr. Speaker. That was explained at least two weeks ago. It is an internal document.

Mr. Grafftey: Mr. Speaker, I could not hear the minister. I am afraid I could not hear the minister's answer.

Mr. Faulkner: Mr. Speaker, the explanation was given, I think, a week and a half ago by the Parliamentary Secretary to the President of the Privy Council. The document is regarded as an internal document.

Mr. Grafftey: A supplementary question. Is the minister now prepared to obtain parliamentary approval and support for this multimillion dollar program which is now becoming permanent and appears to be secret?

Mr. Faulkner: Mr. Speaker, my impression is that it is one of the most open programs we have.

Mr. Grafftey: I would advise the minister it is not really open.

[*Translation*]

Mr. Speaker: The hon. member for Montreal-Bourassa.

My apologies to the hon. member for Montreal-Bourassa. Could the hon. member for Brome-Missisquoi resume his seat? I apologize to the hon. member, but I think that the hon. member for Brome-Missisquoi is rising on a point of order.

[*English*]

Mr. Grafftey: Mr. Speaker, I rise on a point of order. I do not think it is a polite gimmick for ministers to be so quiet in, when giving their answers that we cannot hear them. It is not parliamentary.

* * *

IMMIGRATION

NEGOTIATIONS WITH UNITED STATES ON REGULATIONS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Manpower and Immigration. Will the minister advise the House whether he or his officials, either directly or through his colleague, the Secretary of State for External Affairs, have had negotiations with the United States regarding the immigration regulations between the two countries? Have the Americans been asking Canada to remove some anomalies in our immigration regulations and what representations have we made to the United States with regard to theirs?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, to my knowledge, this has not been a subject of ministerial discussion between the two countries. I will make inquiries to see if there have been any talks between officials.

* * *

[*Translation*]

AIR TRANSPORT

PROVISION OF FACILITIES FOR PURCHASING OF TICKETS AND CUSTOMS CLEARANCE

Mr. Jacques-L. Trudel (Montreal-Bourassa): Mr. Speaker, I would like to direct a question to the Minister of Transport.

On March 8, as reported at page 2022 of *Hansard*, I put a question to the Minister of Transport on the possibility of installing centres in cities where international flight passengers could be cleared by customs officials.

Since the minister said he would consider my suggestion I wonder if he had time to do it and possibly give me an answer today?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, that question is rather complicated. It is a new method. The department is examining it and I will be glad to submit a report whenever I can.

[Mr. Speaker.]

[*English*]

FINANCE

SUGGESTED LOWERING OF INTEREST RATES BY CHARTERED BANKS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the fact that the nine chartered banks in Canada last year enjoyed an increase in profit of over 23 per cent, can the minister say whether it is his intention to express to the banks the necessity of lowering their interest rates to the Canadian public?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the Canadian public now enjoy the lowest interest rates of any industrial country in the world. Also, our interest rates are about a point and a half below the United States and well below those in Europe.

Mr. Nystrom: A supplementary question. In view of the fact the Canadian banks still made a profit of more than 23 per cent last year over 1971, can the minister say whether it is his intention to consider the creation of a Crown bank to compete with the chartered banks and other financial companies in order to bring down the interest rates for the average citizen?

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker. We already have the Bank of Canada.

* * *

STATUS OF WOMEN

REASON FOR NATIONAL ADVISORY COMMITTEE BEING ANSWERABLE TO MINISTER AND NOT PARLIAMENT—TERMS OF REFERENCE AND PERSONNEL

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is to the Minister of Labour. It concerns his decision, which was announced outside the House, to appoint a national advisory committee on the status of women. Will the minister say why he rejected the advice of the National Council of Women and the royal commission and made that committee answerable only to himself, and not to parliament?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I wish to advise the hon. member that the National Council of Women came here and requested a meeting with the Prime Minister and the government. They wished to carry on a dialogue with us. They expected us to react to various recommendations in their brief. This is the reason we reacted and indicated what we were prepared to do with reference to an advisory council. That is how the announcement was made outside parliament. It was to pay our respect to the National Council for Women that we handled it in that particular manner.

As far as the advisory council is concerned, the council reacted relatively favourably to this suggestion. They indicated they would be pleased to try it on a temporary basis. If it was satisfactory, that would be alright. If not, they would recommend further changes to the government at a later time.

Mr. Clark (Rocky Mountain): A supplementary question. I am pleased that the government has respect for the National Council of Women, if not for parliament. I wonder if the minister might table in the House the terms of reference for that committee, and indicate how the members of the committee are going to be appointed and when?

• (1530)

Mr. Munro (Hamilton East): Yes, I shall be pleased to do that at a later stage. We are working on the terms of reference at the present time.

* * *

AGRICULTURE

BEEF AND PORK BOYCOTT—STATUS OF STUDY OF LOWER TARIFFS ON CERTAIN PRODUCTS

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, will the Minister of Agriculture tell us what he intends to do for the farmers in Canada regarding the boycott of beef and pork?

Mr. Speaker: The minister might be allowed to reply briefly, but normally a question of that kind invites a statement on motions. The hon. member might wish to rephrase his question.

Mr. Whittaker: I have a supplementary. Will the minister inform us now whether the committee he said he was setting up to study the lowering of tariffs on agricultural products is operational and, if so, what stage have the discussions reached?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, they certainly are operational. They are working all the time on this matter. We have received some preliminary reports from them. As to the first question, I can only say that this is a free country and people can do what they want.

Mr. Baldwin: Unless they are in the opposition.

Mr. Whelan: I don't think it will hurt the beef producers one bit in the long run.

* * *

THE CANADIAN ECONOMY

STEPS TO OFFSET SUGAR PRICE INCREASES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Finance what steps he has taken to offset price increases announced by a major Canadian sugar refiner which could have the result of offsetting the minister's budgetary proposals reducing the sales tax on chocolate and certain soft drinks, as well as causing a consequential increase in the price of food.

Hon. John N. Turner (Minister of Finance): There is some difficulty here, Mr. Speaker, inasmuch as the price of sugar was raised pursuant to a world commodity agreement. I would have to determine just what jurisdiction I had over the situation.

Mr. McGrath: May I ask the minister whether he took part in any discussions with the sugar refinery concerned before the announcement of the increase in price was made.

Mr. Turner (Ottawa-Carleton): I did not, Sir, no.

* * *

TRANSPORT

SOUTHWESTERN ONTARIO RAILWAY PASSENGER SERVICE—INQUIRY AS TO MEETING WITH ONTARIO PREMIER AND TRANSPORT MINISTER

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, on March 16 the Minister of Transport told the House, in response to a question from me, that it was his intention to meet with the minister of transportation and communications for the Province of Ontario and with the prime minister of Ontario to discuss train services in southwestern Ontario. Has the minister yet held these meetings? If not, when will they be held? If they have been held, was a decision taken to reinstate railway services in our area of the province?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have not yet met with the premier of Ontario or with Mr. Carton. We are now drafting the terms of reference for the examining board. Once this has been done I will try to meet with Premier Davis, Mr. Carton and the other minister who is responsible for inter-governmental relations.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Can the minister tell us when he will be holding this meeting?

Mr. Marchand (Langelier): It will certainly not be before the terms of reference have been finalized. After that, it is a matter of knowing when I could go to Toronto and when the other parties will be in a position to meet me. There are some problems in that field.

* * *

NATIONAL REVENUE

REQUEST FOR RESTORATION OF FORMER CUSTOMS FACILITIES AT SIDNEY, B.C.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have no supplementary to ask, provided I get a straight answer. My question arises from a visit which the Minister of National Revenue made to Sidney in British Columbia recently, and to reports of what he said there about the customs service facilities now available in Sidney. Will the minister assure the House that the facilities, which at one time were provided for in the act, will be continued?

Mr. Speaker: I would think this question should be placed on the order paper. If urgency is attached, it could be considered at the time of adjournment.

Oral Questions

AIRPORTS

PICKERING TOWNSHIP SITE—EXPROPRIATION OF LAND—MEMBERSHIP AND TERMS OF REFERENCE OF COMMITTEE OF INQUIRY

Mr. John Harney (Scarborough West): Mr. Speaker, my question is to the Minister of Transport. Considering that some two months have elapsed since he announced there would be a commission of inquiry set up in relation to the expropriations around the second Toronto international airport, may I ask whether the minister is yet in a position to tell us when the composition of this commission will be announced and what the terms of reference are to be?

Hon. Jean Marchand (Minister of Transport): I think the answer I gave a few minutes ago is applicable to this question. The draft of the terms of reference has not yet been completed. We have a list of persons we should like to submit to the government of Ontario. As to how long this will take, I can only say I hope it will not be long, but I cannot indicate when I shall be in a position to make a statement.

* * *

TRANSPORT

FREIGHT RATE INCREASES ON CONTAINER TRAFFIC BETWEEN HALIFAX AND SAINT JOHN—REQUEST FOR ACTION TO MODERATE

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I have only a single question to the Minister of Transport, but you may have a problem because I have already promised a supplementary to one of the Halifax members.

Some hon. Members: Oh, oh!

Mr. Bell: In view of the grave concern in eastern Canada over the new, high increases in railway freight rates with respect to container traffic between Halifax and Saint John, would the minister use his well-known powers of persuasion—they have not been very active lately—and consult with the House leader from Nova Scotia, the Minister of Public Works from New Brunswick as well as to the railway companies and make a last-ditch effort to get them to moderate these rates which are going to ruin our business.

Hon. Jean Marchand (Minister of Transport): I think the hon. member knows I am going to meet with the premiers of the four Atlantic provinces very soon, on April 9.

Mr. Bell: The new rates come into effect on April 1.

Mr. Marchand (Langelier): Yes, but there is not much I can do. The only thing I can do is try to convince the parties. The purpose of the meeting is to revise the whole policy, the whole structure of freight rates in the Atlantic provinces and I think this meeting will afford the best opportunity of discussing the subject which has been raised today.

[Mr. Speaker.]

INCOME TAX

REQUEST FOR EXTENSION OF DEADLINE FOR FILING RETURNS BECAUSE OF SUPPLYING OF ALLEGEDLY IMPROPER FORMS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is to the Minister of National Revenue. In the light of the fact that thousands of Canadians will be forced to review their income tax returns because of an error made by the income tax department in supplying forms which do not indicate in any way that they apply to deceased persons or immigrants—these were handed out by district taxation offices in great numbers as a proper form—I ask the minister whether he will now extend the filing date because of this mistake on the part of the department?

Hon. Robert Stanbury (Minister of National Revenue): This is the first I have heard of such an allegation. If it is like many of the others made from the other side of the House it probably is not correct.

Mr. Paproski: I resent that!

Mr. Speaker: Order. The hon. member for Calgary South has been very patient and perhaps he should be given an opportunity to ask a question. I really do not think we should entertain supplementaries on this question now.

Mr. Paproski: On a point of order, Mr. Speaker. I resent the allegation made by the minister. I should like to show him the two forms—I have them here in my hand—which have been distributed by the taxation department. There is nothing here to indicate they are for deceased persons and immigrants, yet they have been distributed to thousands of Canadians in my area and in other parts of Canada.

Mr. Speaker: That is not a point of order. It is a point of discussion between the minister and the hon. member. Perhaps he would want to pursue the matter after we have called orders of the day.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I should like to ask the government House leader what the business is to be today, tomorrow and next week.

Mr. MacEachen: Today we shall begin by considering the Emergency Gold Mining Assistance Act, followed by the crop insurance measure. Notwithstanding progress made today, we shall begin tomorrow with the foreign investment review bill, after which we will take up the Canadian National Railways Financing and Guarantee Act, the Aeronautics Act and the Fisheries Development Act. On Tuesday, we shall be seeking concurrence in the ways and means resolutions. If concurrence is granted, we can proceed early the following day with the resolu-

tions, depending upon arrangements which may have to be worked out with respect to absentees from Ottawa.

Mr. Baldwin: The Minister of Finance said he hoped the House would deal expeditiously with the 1972 tax measures, and that when these were dealt with parliament would be asked to consider the tax measures which affect 1973. Are we to assume that not until the House has dealt with all stages of the 1972 tax measures will we see the 1973 proposals, or could there be certain events, such as the composition of differences in cabinet, which might permit us to see them earlier?

• (1540)

Mr. MacEachen: Mr. Speaker, aside from the fictions which my hon. friend is producing on a daily basis, I want to assure him that we will not table the resolutions affecting the later period until we have completed all stages of the present resolutions.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

EMERGENCY GOLD MINING ASSISTANCE ACT

EXTENSION TO JUNE 30, 1976

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved that Bill C-130, to amend the Emergency Gold Mining Assistance Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

He said: Mr. Speaker, the bill the House is now being asked to consider provides for the extension of the Emergency Gold Mining Assistance Act for a further period of three years, that is to say, to June 30, 1976. In this period there will be no change in the method of calculating the amount of assistance that will be payable to the operators of gold mines. This is pursuant to an announcement I made on June 21, 1972, indicating the intention of the government to extend the act in order to ensure the stability of the gold mines and the future of the communities dependent upon them.

The prospects of those gold mines which have survived the steady decline in the industry—these hon. members will find in the report on the administration of the act which I tabled in the House at the beginning of the session—are now greatly improved because of the current level of the open market price for gold. Should the current level be maintained in the open market for gold and operators continue to sell their gold on the open market, then the assitance that is available under the act will not be required. With an open market price above $48 per ounce—I shall give a review of the prices to the House in a moment—obviously it is more profitable for the mines to sell gold on the open market than it is to sell to the Royal Canadian Mint and thus become eligible for assistance under the act.

One of the prime questions, I suppose, facing both the mining community and the international community today is what is the prospect for the long-range price of gold. There are really two factors influencing this. First of all, there is the impact of the uncertainty in international monetary relations, an uncertainty which, in the period since about the middle of last year, has brought about a dramatic increase in the price of gold on the open market.

As an example of this, on January 15 of this year gold was at a price of around $65 per ounce on the open market. By February 15 it had moved to between $72 and $73 per ounce. By March 15 it was up to $82, and my information today, March 29, is that it was over $89. It has been higher than that in the last several days.

Therefore this indicates that the instability of the international monetary exchanges has undoubtedly affected the external price of gold. Notable international commentators like Mr. Elliott Janeway have predicted that the price of gold will probably go up to a level of $130 per ounce. I express no opinion on that, but it is that kind of information and feeling that undoubtedly have had some kind of speculative impact on the price of the product itself.

That, however, has not been the only thing. Demand for the commodity on a commercial basis for commercial uses, such as for jewellery, industrial and other uses, has been increasing. In the same period world output of gold has declined. Last year world output of gold declined by about 6.5 per cent. So influencing the price of gold is a combination of speculation in relation to international financial affairs and the ordinary pressures exerted by supply of and demand for gold, not as a monetary commodity but as an industrial commodity.

Therefore it is obviously difficult to predict the future price of gold in the open market. However, it is possible that if there is a lot of fluctuation in gold prices as a result of monetary speculation there will be declines for short periods to the point where continued operation of gold mines that are still in the position to draw assistance would be in jeopardy. It is with this possibility in mind that the government has responded to the requests of the industry and the gold mining communities for assurance that assistance under the act will be available if needed.

The total amount of assistance paid under the act since it came into effect in 1948 is $303,188,031. From this may be deducted the sum of $25.7 million which the Royal Canadian Mint has received as a profit from the sale of gold on the open market during the years 1968 to 1971. Because of the high open market price for gold there were in fact no applications for assistance received from the gold mines with respect to the calendar year 1972.

As I have mentioned, details of assistance paid in total and to individual mine operators may be found in the annual report on the administration of the act which I tabled in the House on January 4. Perhaps some indication of the effectiveness of the program in the period since 1948 may be found in table one of this report, which indicates that 117 mines were drawing assistance in 1948. By 1971 this number had dropped to 28, and there has been a distinct contraction in the Canadian gold mining industry during that period.

I believe it is fair to say that the act has achieved the objective of minimizing the social and economic impact that would have occurred in the dependent communities with the abrupt closure of gold mines through the cushioning effect that may be achieved by slowing the rate of decline in the gold mining industry. This has always been the underlying motive behind the program.

A corollary to this program is, of course, the efforts that have been taken by the federal and provincial governments to develop alternative economic opportunities in the gold mining areas that are most affected. I suppose the classic example of success here has been in the neighbourhood of Timmins, where one saw the gradual decline of the gold mining industry in that area and then the dramatic revival of the community through the discovery of copper by Texas Gulf Sulphur and the subsequent establishment of further processing facilities in that community.

On August 11, 1970, my predecessor, the Hon. J. J. Greene, announced that the government of Canada had decided to extend the application of the statute for a further period of two and a half years, to June 30, 1973. There was no change made in the method of giving assistance. The minister also announced that the government of Canada was prepared to consider a second extension for an additional two and a half years to December 31, 1975, provided that suitable adjustment programs for the gold mining communities involved could be developed in co-operation with the provincial governments, the communities, the companies and the unions concerned.

In pursuance of this goal the minister met in Ottawa with representatives of the mining industry, the provincial governments of Ontario and Quebec and, of course, officials of the department on May 20 and 21, 1971, to identify and recommend scientific and technical programs that might lead to an acceleration in the rate of discovery and development to broaden the economic base of the regions. As a result of this Ottawa workshop the Minister of Energy, Mines and Resources announced on June 30, 1971, that a special scientific and technical effort would be mounted in those areas of his department. The governments of Ontario and Quebec also announced measures to stimulate exploration in the areas concerned.

While the increased price of gold affords new signs of hope for some 14 communities still largely dependent on this industry in Canada, labour unions, the municipalities concerned, mining companies operating in those communities and, of course, provincial governments all have to continue, in the very real initiative shown so far, to expand economic activity in these areas.

The government of Canada, through my department and an interdepartmental committee working with representatives both of the industry and of the two provincial governments, has arrived at a set of priorities for exploration and prospecting programs. It was the choice of the province of Ontario, at its option, to go for the provision of special subsidies for exploration and prospecting. The province of Quebec, on the other hand, decided to launch a large geoscience program, including geochemistry and geophysics, funded jointly with the federal department of Regional Economic Expansion.

[Mr. Macdonald (Rosedale).]

• (1550)

It would be comforting, but I think unrealistic, to suggest that the problems of our gold mining communities will vanish overnight because the official gold price has been raised to $38 from $35 as a result of the earlier devaluation. At the moment the United State Congress has not acted on the most recent valuation and it is premature, therefore, to say what the established official price will be. I think we can recognize, however, the destabilizing influences that international markets can have on our resource communities and the need to devise continued policies and programs which will broaden the economic base of Canada's mining communities.

Consequently, the government will pursue its efforts in co-operation with other interested parties to assist the gold mining communities in their adjustment to changing circumstances. As part of that program it is appropriate to provide some assurance of future stability to gold mining operations and to the dependent communities by extending the operation of the Emergency Gold Mining Assistance Act to June 30, 1976. What we propose to do in this period of relatively high price is maintain a floor that is established by statute in the event that as a result of the vicissitudes of the international market the price might again change, creating another emergency condition.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have listened with interest to the remarks of the minister in support of the bill before us today, and I think it is relevant to again reiterate, as he has, that some 14 communities in Canada are to a large extent dependent upon the maintenance of this industry in a healthy condition. It should also be pointed out that Canada, perhaps inadvertently, has fared very well in respect of its gold holding over the last few years.

As the minister pointed out, the world price of gold has shot up in recent weeks, but it is not yet clear what ultimate price it will attain. At the present time it is well for the House to bear in mind that at the end of February our official international reserves of gold amounted to $834.1 million. That figure is expressed at the prevailing rate of $38 per ounce. As the minister pointed out, it is virtually a certainty that the price will be adjusted to $42.22 per ounce. When that takes place we will find that the value of our gold holdings in our official international reserves in Canada will increase to $926.8 million. If we work back from that adjusted figure of $926.8 million which, if it is not reflected in the March Bank of Canada Review, in all likelihood will be reflected in the April Review, we find that the actual increase in value of our gold holdings in our reserves has been $158.6 million since May of last year. In short, Canada was a real winner as far as monetary holdings of gold are concerned.

A point that is perhaps overlooked is the fact that if the world market for gold is relevant at today's price, which on the London bullion market was $89.25 per ounce, our actual holding of gold are worth $1.9 billion. This is a windfall for Canada of some $1 billion. It is the result of our holding gold in our international reserves, possibly inadvertently, at the right time.

I would also point out, as the minister has stated, that the actual outflow in assistance to the mines since this act

was proclaimed is approximately $278 million. The minister did not mention that if we take into account the increase in the value of our international reserve, the $158.6 million I mentioned, the net outlay, taking both things into account, is $120 million. Canada, as a result of having the foresight to institute and keep this act effective, has spent a net of $120 million, yet today it has reaped a $1 billion benefit in terms of world prices, if the market becomes free at some later date and our reserves of gold can be sold into that world market at today's prices.

I am stressing the fact that this act is doubly beneficial in that it has not only helped to preserve a worth while industry in Canada, which employs some 3,000 people directly at the present time and, assuming there are three and a half people indirectly employed to one directly employed, in the neighbourhood of 10,000 to 12,000 jobs, but in addition it has resulted in our having the advantage of holding a large amount of gold in our international reserves. This strengthens our world position tremendously. In that regard, it is often forgotten that while our production in relative terms is small, we are the second largest gold producer in the free world. South Africa is the largest producer and is greatly ahead of us. It produces approximately 70 per cent of the free world gold, but we are the second largest. I should emphasize that our production has been lessening year by year. Canadian production of gold in 1972 was valued at $76 million while in 1971 it was almost $80 million.

I feel, as does my party, that we should maintain our gold industry, and it is desirable that this act be extended in order to allow forward planning in the industry in the future. We believe this is the mechanism through which the government can assure this industry a minimum price at which it can sell its product. This is desirable when you are encouraging people to take advantage of world prices and to capitalize on those prices referred to by the minister.

In reference to how high the price might go the minister said that Mr. Janeway feels it might increase to $130 an ounce. That may be so, but I should like to refer to the 1972 annual bullion report of Samuel Montagu and Company Limited. Samuel Montagu and Company Limited is one of the largest London, England, bullion dealers. After reviewing the uncertainties in the monetary system today Samuel Montagu states:

• (1600)

Under the circumstances it is difficult to imagine a return of confidence and with the probability of recurring crisis prices in excess of $100 may easily be reached.

I feel, therefore, we are fortunate in this country that we do have producing mines in the gold field. I think we are even more fortunate to know there are additional prospects and additional possibilities that mines may be opened up if the industry has the assurance that it in fact will not have the ground cut from under it in its long-range planning. This is where I feel the act is a great help in that it gives them that assurance. While in a moment or so I will have some comments on matters that we feel could be considered by the committee, I want to assure the House that we are in support of having this type of legislation extended.

I would also like to touch on the question of production in the industry. I could give figures—some of them perhaps have already been touched on—concerning Canada's production in relation to world figures. Without delaying this debate, I think it is interesting to note that Canada, mining men inform me, is in a position to be able to increase, percentage wise, its gold production more than is any other country in the free world. Already there is a renewed confidence being shown with regard to gold mining. For example, the gold mining index on the Toronto Stock Exchange today was 231 compared with a low of 140 in 1972. I believe this is due partly to the fact that the industry knows this type of act will likely be passed by parliament. This has helped to renew confidence in the industry itself. Today's price is, of course, the main stimulant.

If I may I should like to come to the points I wish to suggest the committee of parliament should consider when this bill is referred to it. I would mention first that we feel the committee should consider whether June 1976, is a desirable termination date for this bill. It may be that it would be wiser to give the industry a longer term assurance of our intentions. It may be the industry could be assured that until say 1980 this type of assistance will be available to it if it wishes to make plans for the future production of existing mines or the bringing into existence of new mines.

We would like the committee to at least consider the provision put in the act in 1963 which limited the application of the act to what are called established mining communities. As I understand it, at the present time the act does not apply to a gold mine unless it is deemed to provide support in a designated community and unless more than 50 per cent of the persons employed in the mine reside in one of the established mining communities listed in a schedule to the act. We question whether it is desirable to limit this type of act to that extent. It may be—and I certainly suggest it should be—looked into by the committee.

Again, the minister in his opening comments mentioned that the bill does not contemplate the changing of the method of payment in respect of assistance. We feel the committee should review this also in that we must bear in mind that if the assistance is to be meaningful it surely must take into account the inflationary problems this country is living with. If this is to be realistic assistance we feel it is foolish to leave the assistance at too low a level.

At the present time I understand that if gold sells for roughly $50 an ounce or more on world markets it is not necessary for any company or mine in Canada to resort to this act but that, if the price should fall below that figure, in some cases companies might apply for the assistance. I am suggesting the committee should take a look and see whether the $49-$50 figure is a realistic point for this act to become effective.

Again—and the minister has commented on this—we feel greater stress should be put on encouraging exploration and prospecting in the mining industry including the gold mining field. I believe one of the problems in prospecting and exploration at the present time is certain unfavourable provisions in the Income Tax Act. I think

this should be reviewed when we consider the bill at the committee level. In short, we feel encouragement should be given to this type of industry in order to ensure that we are and will remain a significant producer in terms of world markets and in terms of our own production.

As my final point I would suggest the committee might consider the name of the bill itself. It is called the Emergency Gold Mining Assistance Act. I feel that is a misnomer at the present time; certainly I hope it is in the sense of the word "emergency". It may be that the committee could consider a more appropriate name for the act to indicate to the industry, to the gold mining companies of the country, that we are serious in our long-range thinking concerning this field and that we will give them not a short-range commitment with regard to a floor price, if you like to call it that, but rather a much longer range commitment with regard to where we stand and also a broader range of assistance in such fields to which I have referred as exploration and prospecting. Let us help to develop any mines that may be capable of development in Canada. We hope this legislation will receive speedy passage and we certainly look forward to being able to go into the matter in greater depth when it reaches the committee.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, since this matter comes up at five-year intervals this is probably the fourth time I have had the opportunity to support this piece of emergency legislation. Over the years I have done so for various reasons which have not always been the same. Originally I came out of the gold mining industry and therefore was aware of the archaic form of management that existed in that industry and the lack of ability management had in dealing with the community or with its employees or in fact with anyone else. This, of course, stems not only from the personnel in the industry but also from the fact that they were rich when everybody else in the country was poor. Not unlike the landed gentry class in other countries, they developed a type of management that was difficult to support under any circumstances. I have changed my mind as the attitude of the industry has changed. Certainly the industry is in dire need of assistance to keep it alive and, in turn, and much more important, to keep the communities alive where it operates.

• (1610)

It was interesting to hear the last speaker, and I hope I am not unkind to him when I say he speaks with the voice of the business entrepreneur. I know his connections in the financial world, and I presume his interest is in the field of economics rather than in the individual mines that have closed and the individual miners who have left the industry. However, he raised a point that should be considered even though I do not think we will do anything about it.

We hold almost $850 million worth of gold in Canada. If we put it on the international market at $100 an ounce, or as that hon. member said, at $70 an ounce, Canada would stand to gain at least $1 billion and possibly $2 billion. I stress that we are not holding a very large quantity of gold in Canada. From 1948 to 1971 we have paid just over $301 million in assistance to gold producers. If we sold our present stock on the international market we could recover all of that and still have twice as much left over. But obviously we will not do that. If we sell the gold we now have it will be at a maximum price of $42 because that is the maximum amount the Americans will agree to pay. Some big deal, Mr. Speaker! Gold is selling on the market in London at $90 an ounce and in other markets at well over $100 an ounce.

The government has paid a fortune to support the American dollar. No doubt the previous speaker could indicate just how much. Just recently I thought we had reached a new low when I noticed a hostess in the parliamentary restaurant open a roll of quarters. Only three of the coins were Canadian; the rest were all American. Obviously we are still selling our coinage to the United States to be melted down, because before 1968 our coins contained 80 per cent silver and as a result they are now worth much more than 25 cents for each quarter.

A number of mine managers have indicated to me that probably a third force will enter the situation and bring some stability to the price of gold. That third force would be a coalition between Russia and South Africa. As a gold producer Canada plays a small role in comparison with those two countries.

The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) will remember that when he made wheat sales to Russia payment for them was received in gold. That was when gold was $35 an ounce. But we did not keep that gold. We immediately traded it to the United States so we would not upset the money market.

We are penalizing a whole industry by trying to uphold the American dollar and the American way of life. Eventually somebody will make a change, and the price of gold will be stabilized at a reasonable rate. When that stabilization takes place it will probably be at the expense of the United States, which for many years cheated us on the price of gold by maintaining the price at a level that was not compatible with the cost of production.

Over the years we have paid more than $300 million to support some 84 mines that were initially covered by this program in 1948. At present there are 21 mines operating under the provisions of the Emergency Gold Mining Assistance Act. The time may come when the production of gold will be undertaken in other mines, and this act should be applicable to them. At present its provisions do not cover new mines. Two or three new mines have been opened in Ontario and a similar number in Quebec, and they are not covered by this legislation. About 1958 the act was amended to prevent its application to new mines.

I support this legislation for two reasons. It is an insurance policy that from now on will not cost the Canadian people any money. As a result of the last revision of the act, mines must co-operate with Canada Manpower in placing employees, some four months in advance of any closure of operations. In Ontario we operate under the Labour Standards Act, but this does not make any difference. However, I am sure all the provinces do not have the same legislation. Further, the committee set up by a previous minister, the hon. Mr. Greene, has been an asset to the miners in the industry.

This is an old industry. Most of the mines are old. Most of them have a limited foreseeable future, no matter what

the price of gold may be, but there are new areas that could be developed if the price of gold can be stabilized in the neighbourhood of $100 an ounce.

The hon. member who preceded me said that tax cuts would also assist the industry. That is not the problem. The problem is that almost all of the ground in Northern Ontario, and I believe the same is true of Quebec, has been staked and restaked. Over the years some of it has been sold for payment of taxes. Transactions have taken place in many ways. But in recent years any worthwhile ground has been tied up by large mining companies which have bought up the patented claims and are sitting on them. I believe they will continue to sit on them for a considerable time to come. There is no worse example than Little Long Lac which came in, closed down the mine, liquidated the treasury and went some place else. Not much better is Noranda which also has very large tracts of ground that it holds almost in perpetuity because of the inability of the province of Ontario to make any real decision about making that land otherwise available.

• (1620)

The hon. member mentioned some assistance to prospectors and there certainly should be some. The minister mentioned the help given to the companies. That information all goes in the company files and the government records in such a form that most of the prospectors I know are not able to get much advantage out of it, particularly when prospecting is done with the modern up-to-date devices that are being used for mineral surveys.

It is surprising to note that most of the gold potential in Ontario was known almost at the beginning of the gold mining industry in Ontario. There have been very few finds that have not been listed on maps issued by the Department of Mines for probably 40 or 50 years. I know of no instance where a mine has been developed in which there was not previous knowledge of gold in that particular area.

The minister is relatively new in a department that has had a great deal of difficulty in justifying the payments it has made. This assistance has been a direct handout to an industry. It was never tied to the wages in the area, was never, until the last amendment, tied to the communities, and was not tied to the national interest in any way. It was a handout to the mines for the purpose of their making a decision whether or not they could carry on.

I agree wholeheartedly that the situation has reversed. Even the small amount of gold we hold can repay the Canadian people two or threefold for the expenditure that they made; certainly it can double the payment on the expenditure they made. This is a fairly tidy sum no matter how you look at it. The member who spoke previously indicated that probably a profit of $1 billion could be made on the $300 million paid out; that is a reasonable estimate and it may even go higher if we hold the gold.

I suggest to the minister that while we are in favour of this legislation not very much has been done by the committee that he mentioned involving the communities, three or four branches of government and the Ontario and Quebec governments in particular for the purpose of finding alternative industries for that area. I suggest that the subsidies paid to those secondary industries are more than worthwhile. The boom taking place in Timmins today is related to the incentive that was developed by the finding of copper and zinc in that area but it is really being assisted by the fact that secondary industry is being developed in the form of processing of raw resources. In the end I believe this will produce a greater incentive for other types of industry.

Those who considered this subject in the initial committee which made reports from the gold mining communities to the minister of the day were well aware that the assistance was necessary to carry on for today but it really did not do anything for tomorrow. In some ways I am unhappy about the fact that the price of gold on the international market, where most of the mines are dealing, has gone up because it has relieved the mining industry of its responsibility to participate with community leaders and the provincial and federal governments in providing the incentive to look for other industries.

In my own area I was pleased the other day to go into a small plant which has nothing to do with the gold mining industry. This plant was given a DREE grant of $250,000 to produce 42 jobs. It has not met the criteria yet so has not received the money, but it has created 20 jobs. The production line has to be in full operation for 30 days in order to qualify for the grant and because it diversified the production line for different products it has not reached the 30 days. With the incentive and assistance that were given the plant was able to produce new products. The president of the company indicated that in the first year of operation they had already been able to show a fairly reasonable profit even though they have not yet received the full assistance promised them. Not only is the company providing a profit directly but it is producing a profit through the taxes paid by every one of its employees. There are 20 employees buying goods in that community.

The situation as to the age of miners in the gold mining industry has not changed. Two and a half years have gone by and they are two and a half years older. The ability to bring new people into the industry is limited because the production of many mines is limited. One of the two mines in the Kirkland area has closed in the last year and I am sure in the other gold mining communities there has been a decline. The number of mines has decreased from 28 to 21 in one year.

When the committee meets, Mr. Speaker, I suggest that it should give consideration to redeeming or at least reinvesting the amount of money the government now can make on the gold that it holds. If the government finds that this is not to its advantage, maybe it could be put into the northern mining communities in the form of a new subsidy. I think somewhat the same result would accrue—a greater return on the expenditure.

Some of our problems in Northern Ontario, are problems of the Ontario government. I am told that this has been changed in Quebec to some extent. In my part of Northern Ontario we are interested in reopening a great number of small mines. The town of Cobalt for some years has operated on two or three different mining systems. There is one large company that comes in and plays the stock market; others come in, do the development and actually do some mining. Most of the mining operations,

however, are under a lease whereby they do the work underground, contract for the milling and employ eight or ten men. I suggest that this can happen in the gold mining industry.

At present there is an over-capacity of milling facilities in Northern Ontario and there are certainly a great number of mines that have been closed for a long period of time which have shafts for underground workings and would lend themselves to the type of lease operations whereby someone with a reasonably small amount of capital could start mining the ore. A custom mill operation could be set up and the end product could be sold after it had been processed by that custom mill. It seems to me that this would provide a large source of employment for miners. In addition, it would permit our people to enter a field that is exciting and holds out reasonable expectations of profit. That would suit the character and nature of our people who have been pioneers, willing to gamble and willing to engage in ventures that hold out an opportunity of profit provided that the necessary hard work is done. This cannot be done, however, until we do something about the holding rights of large companies that own large blocks of land. The minister and the committee ought to consider that question. It is of interdepartmental importance because it involves relationships between the provinces. I hope that when the two and a half years have expired our gold mining industry will not be in the position we thought it was in two or three years ago. I hope that our gold mining industry will prosper and that Canada again will be among the leading producers of gold ore.

• (1630)

[*Translation*]

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I would like to say a few words about Bill C-130, an Act to amend the Emergency Gold Mining Assistance Act.

Mr. Speaker, gold mines are now in a good financial position because the current price of gold on the free market has reached $90 an ounce, but, as a consequence, gold mine operators have had to increase salaries considerably. In 1971, it was nearly impossible to find experienced miners willing to work for $2.43 an hour. But in 1973, the salaries are close to those in other industries. Thanks to plenty of manpower and the new price of gold, many mines would like to invest in operating and expanding the mines, which would create thousands of jobs.

Mr. Speaker, with the instability of the price of gold, it is nearly impossible for the mines to expand. At present, the Emergency Gold Mining Assistance Act is in force and it does not cost a cent to the government.

I find strange that the government has decided to continue giving subsidies to gold mining until 1976. In the past, delegations from my constituency and from other areas of Canada came to Ottawa every two years with briefs for the minister, asking him to retain the Emergency Gold Mining Assistance Act, yet today the minister appears so generous by wanting the law applied until 1976.

Mr. Speaker, I fail to see why the minister does not increase the subsidies to $18 or $20 an ounce: it would not

[Mr. Peters.]

cost anything and it would give some guarantee to the gold mines.

Mr. Speaker, I met some gold mine managers to find out what they think about the new bill. As I said a while ago, they are willing to expand, to operate, but they have been given no guarantee. This is what they told me: If we had a guarantee that the price of gold would not go down below $60 an ounce, we could keep on improving the situation in the mines. But now we have no guarantee.

I therefore recommend that the committee urge the minister and the government to increase the subsidies to $18 or $20 an ounce, which would give the gold mines a minimum guarantee of $60 an ounce.

[*English*]

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the hon. member for Timiskaming (Mr. Peters) says he has heard debates like the present one over a long period of time. So have I. I recall his speaking in 1958, and his message still concerns one theme, the interests of the communities and workers in the mining areas.

My opening words in the debate on this amendment are that the name of the act is a misnomer. We call the act the Emergency Gold Mining Assistance Act. It has been in existence for nearly 30 years. Some emergency! As the hon. member for York-Simcoe (Mr. Stevens) made dramatically clear, Canada has been handed a windfall. To use the crude expression used by the military during the war, we are like someone who fell into an outhouse and came out smelling like roses. We certainly have come out of the situation in wonderful financial shape.

The theme of my remarks will be, what lessons should we learn from this fortuitous happening that has added so greatly to the monetary and financial assets of the people of Canada? I will come around in full circle as I talk about these lessons to some of the remarks I have heard the hon. member for Timiskaming make concerning development during the last 15 years. Before I do that, however, I want to talk about something the minister and the hon. member for York-Simcoe mentioned, stabilization.

The first lesson that the legislators of this country must learn is that the stabilizing of prices of basic world commodities is no longer something to be dreamed about or practised now and then but something to be practised systematically. We should recognize that certain products are inelastic in nature and very necessary to the world, and we should begin to build through legislation a price structure for those products. The value of such stability to producers is obvious. We are now recognizing with brutal clarity that consumers of goods around the world are taking a terrible beating because of the failure not only of the government of Canada but of many governments of the world to stabilize commodity prices through legislation. I am referring to legislation dealing with basic world products. We, in Canada, have had the lesson dramatically brought home to us with regard to food products. Planning has been based on mistaken notions of world demand. As a result, Canada, the United States and other countries are critically short of basic commodities with which to feed their people, not to mention the other peoples of the world.

Every bit as important as food in the provision of a better way of life for the peoples of the world are the basic products which are absolutely vital to the future success of industrialization in newly developing countries. Gold is one of those inelastic commodities to which I referred. Copper is another. Such inelastic commodities are vital to the carrying out of the world's business and the development of the world's industries. When their prices rise too precipitously, the newly developing nations are forced to spend so much of their international exchange in purchasing these products that all the good that has been provided since the war through the over $100 million in bilateral programs by the wealthier nations trying to help these nations has been wiped out two or three times over by the rise in price of these inelastic commodities.

• (1640)

The first principle the committee should work on is the principle enunciated by the hon. member for York-Simcoe. Now that we have come through this period of emergency for 30 years, let us take a look at the principle of stabilization and see if we can put this principle into the bill in order to give some assurance to the mining industry on the business side, as the hon. member for York-Simcoe said, and also with regard to the labour component. Because of the precarious position of gold prices these past 30 years, families in these communities have had to eke out an existence at levels of wages far below the minimum standards even available in these northern communities where costs are so much higher. The principle of stabilization would not only benefit the producers in the form of management, the owners, if you like, and the labour component but it would also be in the general interest of bringing some help to people all over the world who need stability with regard to these inelastic commodities. That is a principle we could well adopt. That is the first suggestion, thought or thrust that will come forward in committee if the party on this side of the aisle has its way.

I now want to discuss a point raised by the minister when he spoke about international monetary arrangements having such an impact on the situation in relation to the present gold mining industry in Canada. I think it is a bit beyond the terms of reference of the committee to which this legislation is being sent to discuss this, but it has a bearing and I will raise it in any event. I refer to the fact that by this windfall there has been an increase in the genuine price of the gold in our international reserves to over $1 billion, and it will probably be more before the price levels off. We should be thinking about how we can best utilize this excess or increase of money in trying to increase the whole industrial fabric of our country and at the same time help our neighbours and customers all around the world.

One thought that passed through the minds of some people this past year was that with our tremendous surplus of almost useless American dollars in our reserve fund, now buttressed by the doubling of the value of the gold in our reserve fund, we should begin thinking in terms of previous precedents in this regard. We should put some of these American dollars, which are only yielding us a little over 5 per cent, into the purchase of equities of large multinational companies, mainly those with headquarters in the United States. I say the United States mainly because the health of the gold mining industry and the health of all our exporting industries are dependent on getting our dollar down to a value roughly equivalent to the true balance of trade between our two nations.

We have large investments from the United States, mostly in the form of investments in multinational companies. These bother and concern the Canadian people, and rightfully so. If we were to move $1 billion into the purchase of equities—some people prefer bonds but it makes no difference—this would provide a flow of those almost useless dollars back to the American side. This would have the effect of bringing down our dollar to about 95 cents. We could establish this value by the amount of purchases.

There are other advantages. First, we have the useless American dollar. It is only $4 billion of the $70 or $90 billion available in the reserve funds of many countries, but we could put these assets to work. From the ownership of these equities we would not only get the dividends flowing back into Canada to balance the flow of our dividends to the United States but we would get the appreciation of their capital value. Above all, this would give to the people of Canada a sense of assurance and security by recognizing that the multinational corporation is here to stay.

We recognize the tremendous power, strength and good this can bring to the nations of the world in facilitating trade. Nothing will stop their economic efficiency, but the people of Canada would feel happier if they owned a good chunk of General Motors, XEROX, IBM, machinery companies and so on. Over a period of years we could come very close to a substantial controlling influence over the multinational companies that currently own so much of Canadian industry. I hope this policy will appeal to countries like Japan, West Germany, France and Switzerland which hold so many so-called useless American dollars in their reserve funds. Not only would we be helping Canadians but we would also be helping our friends and customers, the Americans.

There are two well known precedents for this. In 1914, when our comrades in the United Kingdom got into trouble with the Kaiser, it was the Americans who came to their help. They provided them with the dollars. In return, the Americans took the equities that United Kingdom residents owned around the world. As a result, the United Kingdom was able to survive the war of 1914-18. When the war was over the American people owned the bulk of their equities around the world. This formed the basis for the present large proportion of multinational companies that seem to dominate and seem to be able to dominate the ownership and control of products around the world.

I think the clock has now turned full circle. If we would use the excess American dollars in our treasury and utilize the extra value of our gold by buying either equities or bonds, and they are there now, we could not only help ourselves but bring help to the American people in their hour of need. They are going to be in need for, I think, at least another decade. I have references to support this view. One of the better known American bankers in Chicago stated publicly that if the Canadians are not

smart enough to do this the American government should buy up equities on the Wall Street market and provide them for our exchange funds in lieu of sending their dollars here.

The United States is desperately short of dollars. Their international liquidity is quite tight. Canadians, for intelligent self-interest, should think in terms of helping the Americans in their hour of difficulty. If, after 20 or 30 years, we end up owning, with our tremendous saving power in Canada, big blocks of these multi-national corporations, with their tremendous earning power we will have moved and moved well for Canada.

This seems a long way from the usual type of debate that we have on the Emergency Gold Mining Assistance Act. I simply wish to say that it is very pleasant to be in the House at a time when our fortunes have turned so much in our favour. I hope we can take advantage of these lessons and use them for good purposes.

The second suggestion I want to make deals with communities. There is no question in my mind that in our efforts to save the gold mining industry we thought just in terms of keeping that industry alive on a bare existence level. The people who have suffered are the families of the workers and those who serviced these workers in remote northern areas of Canada. Another lesson we should learn from this windfall is that we should begin thinking seriously of placing revenues derived from our non-renewable resources into development funds, the principal to be used only for the development of this country; all the Canadian public should have the right to dispose of would be the interest or dividends from its investment. Such is the tremendous volume of wealth that would come from our resource industries in the non-renewable sector that within a very few years a fund amounting to many billions of dollars would have been established and the interest from it would be much greater each year than the annual revenue from the sale of those resources. In other words, we should think of our resources as belonging not only to this generation but to many other succeeding generations. Such a fund as I have suggested could be operated by the government alone, or it could be operated in co-operation with private industry. I would hope that once the program was under way, the government would get out.

• (1650)

When this measure is referred to committee I believe we should look at this legislation not merely as a makeshift to enable us to get by for another three years but as an opportunity to establish something of more permanent value. Consider the name of the legislation. Consider the principle of the legislation—stabilization. Consider its impact on monetary affairs, not only of this country but of the world. We should recognize that sometimes, when we are trying to keep an industry alive, especially when that industry is providing a product that is needed, we end by benefiting not only ourselves but the whole world. If we approach the legislation from this point of view we can introduce a concern for stabilization which can be applied to other products of the resource industry whose supply is inelastic and which are so needed by the people of the world.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to take part briefly in the debate on Bill C-130. I should like to draw the attention of the minister to one or two aspects which so far have not been raised.

I was here in 1970 and was a member of the committee that dealt with the bill before us at that time. I believe you were a member of that committee, too, Mr. Deputy Speaker. At that time suggestions were put forward not only by members of the committee but by senior civil servants that the government should be moving into these mining communities and endeavouring to lay out programs which would make them less dependent on the gold mining industry. Going through the notes I made at that time I see that an interdepartmental study was proposed early in 1970 along the very lines to which I have drawn attention. It was suggested that the various departments of government concerned get together with the municipalities, mining companies and unions in an effort to devise a plan to diversify industry in these mining communities. One of the witnesses at that committee hearing put on record three recommendations which apparently had been made in a report to the government of the day. They were as follows:

(a) Co-ordinate activities within the federal government, industry and the unions;

(b) Establish a firm federal position and enter into negotiation with other parties; and

(c) Undertake an ongoing appraisal of developments in the communities and the effectiveness of various programs.

He added that an interdepartmental committee had been established but had not yet made any concrete proposals.

I ask the minister what he has done, or what his department has done, or what his predecessor has done to follow up this suggestion which was made in 1970. The committee at that time approved an extension of the legislation to 1975, if necessary, on the basis that the committee to which I have referred would be taking certain action and making recommendations in the hope that something permanent could be achieved in areas where gold mining is the basic industry.

In endorse the bill and intend to vote for it, believing it would be unwise at this time to do anything that might upset areas where gold mining is on the verge of going out of business. We have enough unemployment in Canada as it is and, as the minister said earlier in his speech, the price of gold is so high now that the companies concerned would be foolish to sell to anyone except on the open market. After the $45 per ounce production cost has been met they get no increase in assistance from the fund.

I urge the minister to tell us, either in his closing speech or during the committee stage, what progress, if any, has been made in the effort to bring other industries into gold mining communities. The situation presently is an example of what has happened as a result of Canada's failure over the years to establish basic secondary industries in communities where the raw materials are produced, though I agree that gold mining is somewhat different from other mining operations. But whether in lead, zinc or other fields the need is to set up extensive job-intensive secondary industries in areas where these raw materials are produced. I will close on that note, but during the

committee stage I will come back with a number of questions, and I hope to pursue the line on which I have suggested the minister provide information.

• (1700)

Motion agreed to, bill read the second time and referred to the Standing Committee on National Resources and Public Works.

* * *

THE ROYAL ASSENT

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Government House, Ottawa
March 29, 1973

Sir:

I have the honour to inform you that the Honourable D. C. Abbott, P.C., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 29th day of March, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to the Governor General

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Canadian National Railways—Discussions on amendment of pension plan to provide payments on the basis of 2 per cent per year of service; the hon. member for Edmonton-Strathcona (Mr. Roche)—Government administration—Increase in departments and buildings in Ottawa—Future policy; the hon. member for Rimouski (Mr. Allard)—The Canadian economy—Proposed guaranteed annual income to curb unemployment.

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

Motions for Papers

PRIVATE MEMBERS' MOTIONS FOR PAPERS

PUBLIC SERVICE

REQUEST FOR TABLING OF BRYDEN REPORT

The House resumed, from Thursday, March 15, consideration of the motion of Mr. Knowles (Winnipeg North Centre):

That an order of the House do issue for a copy of the so-called Bryden report concerning the revision of the Public Service Staff Relations Act, which was submitted to the then minister of manpower and immigration in June, 1971.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I rise on a point of order?

Mr. Deputy Speaker: The hon. member for Winnipeg North Centre on a point of order.

Mr. Knowles (Winnipeg North Centre): Thank you, Mr. Speaker, for permitting me to rise on a point of order with respect to this motion. In doing so I think I can clarify the situation and also report an agreement that I believe has been reached.

At the end of this hour on Thursday, March 15, I asked that this motion stand at the top of the list of this category of motions. There was some fear that if that happened the question of tabling the Bryden report would still be under debate. Since the government was in a position to say no to such further debate, I made it clear that my request for the motion to stand at the top of the list was so we could deal with the question of referring the guidelines on the production of papers—the set of guidelines tabled on March 15—to an appropriate committee.

I rise now to confirm that understanding, at least as far as I am concerned, and also to confirm the fact that having this matter debated again is not for the purpose of entering into further argument about the tabling of the Bryden report. Later I understand that a member across the way may seek to move an amendment suggesting that this order be discharged, and that instead of passing this order we refer to the committee on statutory instruments the set of guidelines tabled on March 15 so those guidelines can be studied in that committee.

I hope that that procedure, though it sounds a bit complicated to my hon. friend from Timiskaming, will commend itself to the House. I hope something may yet be done to resolve the impasse that we seem to have reached regarding the Bryden report, but I think that an even more important issue has arisen out of the discussion, namely, the guidelines used by the government in saying no 99 times out of 100 to our requests for the production of papers.

With that explanation I only want to say that if such a motion does come, namely, that this order be discharged and that, in its place, there be a reference of the guidelines to the committee on statutory instruments, I would be quite happy to agree to such motion.

Mr. Deputy Speaker: The Parliamentary Secretary to the President of the Privy Council.

Mr. Knowles (Winnipeg North Centre): Would Your Honour excuse me? Just as I sat down I thought of some-

thing I forgot to say. My agreement to all of this is on the understanding that the decision to refer these guidelines be taken before we go to the other place at a quarter to six.

Mr. Reid: Mr. Speaker, I just want to confirm that the understanding that my hon. friend has is agreeable to us. I have a draft motion that I might read to the House, and perhaps I could speak to it afterwards. I move, seconded by the hon. member for Algoma (Mr. Foster):

That the order be discharged;

That the document entitled "Notices of Motion for the Production of Papers", tabled March 15, 1973 be referred to the Standing Joint Committee on Regulations and other Statutory Instruments;

And that a message be sent to the Senate to acquaint their honours that the said document has been referred to their committee.

Mr. Deputy Speaker: Is there unanimous consent that the motion proposed by the parliamentary secretary be presented?

Some hon. Members: Agreed.

Mr. Reid: Mr. Speaker, before I go further I wonder whether it would be agreeable to the House to have Your Honour interrupt the proceedings at about 20 minutes to six in order to have the opportunity to put the motion to the House. I think that would be agreeable, and if it is perhaps we could have a House order to that effect.

Mr. Deputy Speaker: The Chair will see the clock at 20 minutes to six precisely for the purpose of putting the motion moved by the parliamentary secretary. Is that agreed?

Some hon. Members: Agreed.

Mr. Reid: Mr. Speaker, I understand that the hon. member for Fundy-Royal (Mr. Fairweather) is proceeding to the House to participate in this debate. He is chairman of the committee to which the document is being referred, so we will await his remarks with some interest.

The question of how much information a government should make available to Members of Parliament is one that has bothered many governments and many Members of Parliament. The thirst of private members, both members of the opposition and government members, for information seems to be insatiable when it comes to documents. Of course, the more privileged a document in terms of government understanding, the more that document is required or wanted by members of the opposition. The matter really comes down to a question of balance. It does not matter what kind of regulations, written or unwritten, are in effect; it depends upon the way these regulations are administered and the way they are applied.

• (1710)

The difficulty we have in a parliamentary cabinet type system is that so much of the decision-making takes place in cabinet and other closed circles, and making documents available before a decision is made compounds the work of the government. The basic principle in respect of documents which we are discussing is that all documents shall be made available. This, in Canadian parliamentary terms, is a considerable change from the practice that applied before. Before the practice was that a document being requested, if it was not inconvenient to the government, would be made available. We have reversed that principle and are now saying that any document which is requested ought to be released unless there is some overriding reason it should not be released.

It is quite true, as hon. members pointed out in the previous debate, that the exemptions the government claims are extensive. Nevertheless, if anyone takes a look at the private bills that have been presented to the House by the House leader of the Conservative party, the hon. member for Peace River (Mr. Baldwin), and also by a member of the NDP, the hon. member for Surrey-White Rock (Mr. Mather), he will see that these bills also contain a sizeable number of exemptions.

Why should this be so? I suggest it is so because those gentlemen do realize that not all information can be made available and, even where it can be made available, there ought to be some room for discretion in the interests of security of the state and for other good reasons.

One thing that frequently crops up in debates of this kind is reference to other countries. We are urged to look at other countries and model ourselves and our behaviour upon principles which are unique or acceptable to countries other than our own. So it was in the previous debate when we were urged to look at the system that functions in Sweden, where it is claimed that all documents are made available to the Swedish public with no restriction or with very few restrictions. That, of course, is nonsense.

In the intervening period of time I have had an opportunity of looking into the way in which the Swedish system works and of finding out what kind of restrictions they have and how they are applied. At the same time I have also had an opportunity of looking at the way the United States applies procedures for the release of documents.

Generally speaking, the Swedish principle is that documents should be made available without restraint. However, there are examples of cases where the authorities will decide a document does not have to be released. There are appeal provisions and appeals are heard by a form of administration court. However, I draw the attention of hon. members to the fact that the refusal to release a document by a cabinet minister is not appealable. Any cabinet minister in Sweden who refuses to release a cabinet document does not have to release it and there is no appeal from his decision. In many respects that is the application of a far more stringent doctrine of secrecy than anything Canada has, and certainly under the proposed guidelines our concept is light years away from the one which applies at the political level in Sweden.

In addition, there is a comment that should be made about secrecy and confidentiality of the workings of the governmental process. It is a well known fact that the effective functioning of government requires the use of confidences between different parts and agencies of the government. It is also a well known fact that if these confidences are not respected the machinery of government begins to break down. The difficulty in putting things on the record on a confidential basis is that if these

confidences are violated you reach the point where the government, the cabinet in particular, can no longer be assured of getting the best advice in confidence that it requires to make decisions. This applies to interpretations of what is going on in the government and its agencies and also interpretations of government relationships with other countries and provinces in a federal system. It also applies to interpretation of the ability of individual people and agencies, so there can be on that basis alone a whole host of exemptions.

In Sweden this policy applies in a general way, but as a result of Swedish law where the spirit is to release documentation there has been a development toward a form of oral briefing rather than putting the information on paper. The reason is, of course, that if a briefing is oral the information conveyed is in an oral form and obviously cannot be produced in a meaningful way before a House of Commons or to a citizen who requests it. What this does, in fact, is destroy to some extent the reliability of the information being communicated because there is no way of checking out that information except in so far as the person who is giving it or receiving it is capable in the oral tradition. Fortunately, in our society that does not happen to be the case. It might be said that, as a result of this extensive freedom the Swedish government has accepted and applied, the greater use of personal meetings and oral presentations means that far less information is being presented to the government and the public, and to some extent the quality of decision-making and work going into presentations has been deteriorating.

It would seem that a close look at the Swedish system would indicate basically what the government has proposed in its guidelines is quite close and similar. It would also be fair to say that, just as good law can be ruined by inept application, bad law can be made to seem much better by the application of the law and regulations. So it is the spirit behind the regulations permitting production and release of documents that is more important than any written or agreed upon guidelines.

It is in this sense that the changes and guidelines the President of the Privy Council (Mr. MacEachen) has introduced to the House of Commons are most significant. They take the position of the government of Canada from that of being secretive, releasing documents only at its own whim, to the position that it accepts the principle that documents ought to be and should be released, exempting only those that fall into a limited sort of exemption.

It is possible to look at the way the United States and Sweden have operated their systems to find out what kind of exemptions they have accepted and what kind of exemptions we are proposing in these guidelines to the House of Commons. Perhaps I might run through a brief table of these to indicate to hon. members which are accepted and which are not accepted as between the United States and Sweden.

For example, legal opinions or advice provided for the use of the government are available for release both in Sweden and in the United States. Papers, the release of which would be detrimental to the security of the state, are not released in either the United States or in Sweden. In respect of papers dealing with international relations, again both countries do not permit their release. Concerning papers, the release of which might be detrimental to the future conduct of federal-provincial relations, this is not a problem of course in Sweden. In the United States system, because it is a federation, these are released. In respect of papers containing information the release of which would allow or result in direct personal financial gain or loss by a person or a group of persons, neither Sweden or the United States releases them. With regard to papers reflecting on the personal competence or character of an individual, neither country releases these. Papers of a voluminous character or which would require an inordinate cost or length of time to produce are released by both the United States and Sweden, but I understand that the person who requests them must pay the cost of producing them, which thereby acts as a very effective check. In respect of papers relating to the business of the Senate, Sweden does not have a senate and the United States has nothing on that.

• (1720)

With regard to papers, the release of which would be personally embarrassing to Her Majesty or the Royal Family or official representatives of Her Majesty, Sweden does have a monarchy and the United States not, but in the case of Sweden they apparently would release these papers if available. Papers relating to negotiations leading up to a contract, until the contract has been executed or the negotiations have been concluded, are refused both in Sweden and the United States. Then we have cabinet documents and those documents which include Privy Council confidence. Sweden would release them and the United States would release them, but again I draw attention to the different nature of government in these cases. The proper example in our case would be to compare our situation with that of Great Britain. In Great Britain these documents are not released either. In respect of any proceedings before a court of justice or a judicial inquiry of any sort, both the United States and Sweden refuse to release these documents. Sweden does release and the United States does not release internal departmental memoranda. In the case of papers requested, submitted or received in confidence by the government from sources outside the government, these are released by Sweden but not by the United States.

The point I am trying to make is that the principle the government has accepted in respect of the release of documents is a new one for Canada. These exemptions that the government claims are those which stand on their own; for example, those which have to do with papers which would come from the Royal Family or from the Governor General or which apply to the particular nature of Canada as a federal country in which the powers are split more or less between two centres. I feel this is a significant step. I think I can assure the House, as I have some responsibility for the application of the guidelines, that every attempt is being made to make as much information available to hon. members as we can within the scope of the guidelines. I think there will be increasing use of the formula that papers will be released subject to the reservation in respect of confidential documents and other matters that are confidential that these not be included in the papers to be released. We are certainly trying to take steps in that way.

As recently as Wednesday last we accepted three motions laid down by the hon. member for Skeena (Mr. Howard) where some information requested was confidential. The papers have been gone through and the confidential parts have been removed. These papers will be available to the hon. member. Before these guidelines had been made such a motion would have been refused. I think because of the way in which the guidelines read and are being applied the result will be that Members of Parliament and the Canadian people will have access to far more material from the federal government than has been the case previously.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, even on a rainy day I love to hear Liberals argue "ill-Liberal" principles. Of course, my friend's argument was destroyed today a little earlier in our proceedings when the Secretary of State (Mr. Faulkner) was asked to make available to parliament a document which assessed the efficiency and so on of the opportunities for youth program, an important document to those of us who must consider the votes for the plan. The minister hid behind the usual phrase that the document was an internal document. No matter how good the guidelines are, if we have to put up with this it means that the guidelines are not guidelines or that the guidelines enunciated up to this point are much too restrictive. When governments talk about guaranteeing the security of the state in so far as secrecy or accessibility to information is concerned, the truth is that the guarantee and the fear are for the security of the government. This is not a bad objective, I presume, depending on where one sits. As I have said before, sometimes we are captured by our own rhetoric.

I think the United Kingdom really is a very bad example to use when we consider the whole matter of availability of documents and secrecy. They have worshipped far too long at the altar, if I can say that, of secrecy or anonymity. Being from Fundy-Royal, with my background I prefer looking at the French experience. Many senior civil servants in France not only are not anonymous but enunciate public policy quite freely. This is acceptable in the process of giving the public information about various policies. By a curious coincidence I was reading, because this whole matter is very much in the public mind in the United States as a result of the Ellsberg trials—presumably they are not sub judice in this place—that somebody had the good sense to take a look at what Dr. Johnson said. I am sure the minister is interested in Dr. Johnson. In 1756 Dr. Johnson in a book called "Observations on the Present State of Affairs" in so far as accuracy is concerned—and the state of affairs in 1756 was about the same as today—wrote:

> The time is now come in which every Englishman expects to be informed of the national affairs; and in which he has a right to have that expectation gratified. For, whatever may be urged by ministers, or those whom vanity or interest makes the followers of ministers—

Presumably that includes parliamentary secretaries.

> —concerning the necessity of confidence in our governours, and the presumption of prying with profane eyes into the recesses of policy, it is evident that this reverence can be claimed only by counsels yet unexecuted, and projects suspended in deliberation.

Dr. Johnson put it pretty grandly. But if we want to come to a contemporary critic of the British scene we find one in Bernard Crick's *Essays on Reform 1967*. Included in these essays is an excellent comment by Professor J. A. G. Griffith in an article entitled "On Telling People". Professor Griffith says:

• (1730)

> The wish to take the lid off the machinery of government, to see how it works, who says what to whom, at what level decisions are taken, what private criteria are used, how far 'politics' is allowed to override those criteria, on what statistical and other 'facts' the decisions are based: this wish does not derive only from curiosity or from party animosity but also from self-interest, from *quis custodiet*—

I translate that as a guardianship feeling, guardianship of the public interest.

> —and from a feeling (by some) that governments represent another group interest.

A series of comments on the matter of secrecy was published in the London *Times* a few years ago in which the author listed various items. First, we should be told much more about the background against which decisions are taken. Second, there is a vast shaded area about which most of us know nothing but generally suspect the worst.

If the Secretary of State had released the report on the OFY program, I suspect the report would have relieved the mind of many people who now have every reason to be suspicious of the program. I believe that probably 98 per cent of the information marked "Restricted", "Secret" and "Confidential" would be so utterly boring that nobody would look at it anyway. In fact, I have met many officials in departments who themselves deplore the overuse of the labels "Restricted" and "Confidential."

In other countries, the passion for secrecy has not abated the cynicism of the public. We all have an obligation, as we try to arrive at ways to reform our procedures, really to believe in what we are doing and let the public have access to documents, with very few exceptions; in fact, a much narrower group of exceptions than the guidelines announced the other day.

Another point I wish to stress is that this year's estimates will show the largest amount ever spent by a government of this country on consultant services contracted outside the regular public service. I am not criticizing that situation particularly at the moment, because others will do so. But all through the estimates examples can be found of sums provided for consultant services, and practically all of them—even under the guidelines recently announced—will result in the information stemming from them being stamped, sealed and put away from public view. The only way to get information will be to wait for the inevitable leaks. There is no mystery about leaks: they occur when things are too watertight. When a government tries to run things in a restricted way, inevitably there are leaks. The way to end the leaks is to throw away the "Restricted" and the "Confidential" stamps except when matters go to the very security of the state or to the privacy of the individual.

Perhaps on another occasion we will have a chance to debate one or two more of the announced guidelines. Recently somebody told me that since the end of the Korean war the United States have amassed 450 billion restricted and confidential documents. I say, God help the

United States! What has happened, with the proliferation of confidential and secret documents, is that nobody can find anything anyway. This just shows the preposterous levels we have reached.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am not sure when the knock will come to the door, but I gather that the purpose of putting the limit of 5.40 p.m. on the debate was to make sure we had carried the motion by the time the messenger arrived from the Senate. However, because there are a few minutes left before that deadline, I would like to make a few comments.

The Acting Speaker (Mr. Laniel): Order, please. To enlighten hon. members, perhaps I should point out that the Chair does not expect the messenger from the other place much before five minutes to six o'clock; at the earliest, ten minutes to six o'clock. The minister and other members who wish to contribute could take at least another 10 or 15 minutes, and we could forgo the order to put the motion at 20 minutes to six o'clock. It will take just a few seconds to pass the motion, if hon. members are agreed. Is this agreed?

Some hon. Members: Agreed.

Mr. MacEachen: Thank you very much, Mr. Speaker. I will not repeat the comments I made on another motion some time ago when I tabled the guidelines that are to be referred to the Standing Joint Committee on Regulations and Other Statutory Instruments.

Probably, when guidelines are tabled indicating several categories of restrictions the immediate reaction is to feel, as one editorial put it, that the object is to tighten the screws and prevent information being made available. Perhaps presentationally, in the circumstances, in view of those categories, it was impossible to avoid that impression. However, in the cabinet, over the past several years, we have grappled with this problem in an effort to determine what basis there is, and ought to be, to withhold documents from publication.

We started with the laudable proposition of attempting as much as possible to run an open government and to make available as much information as could be made available. Because we started with that proposition, we attempted to examine the situation to find out whether we could make public at least the principles upon which our conduct was based. After a great deal of discussion we produced the guidelines and sent them to departments for their direction, and now we are sending them to a standing joint committee for examination to get the views of the committee on whether the guidelines indeed are sound in principle.

Is it sound, for example, to withhold legal opinions that the government receives? Is it sound to withhold information that is given to the government in confidence by an individual or by a corporation? Is it sound to withhold information or papers that might be embarrassing to Her Majesty? Is it sound to release papers, while contracts are being negotiated, that might have the effect of prejudicing one party or the other? On many of these guidelines we reached the conclusion that in themselves they were soundly based. But we want the Standing Joint Committee on Regulations and Other Statutory Instruments to examine the guidelines and have them fleshed-out by examples that might be produced by witnesses so that the committee may reach some conclusions.

• (1740)

I believe we are fortunate in having the joint committee available to take on this work, because of the status of the joint chairmen, the hon. member for Fundy-Royal (Mr. Fairweather) and the distinguished member of the other place. I am sure that the hon. member for Fundy-Royal is committed, as we all are, to obtaining the greatest possible availability of information and that he will examine the situation objectively with the members of the committee. We will have the benefit of their advice on whether, in certain cases, the guidelines are sound or can be elaborated on or developed in certain ways so that additional information can be made available.

I think the first question is: Are they sound in principle? The second question is: How are they to be administered? After all, an individual in a department, and ultimately the minister or the government, must decide in a particular case whether a document comes under the heading of a particular guideline.

Mr. Bell: Mr. Speaker, may I ask a question? This is separate from the matter of the guidelines. Has the minister considered reviving a practice that used to be quite prevalent years ago in this House? When a member wanted a document produced, he was allowed to see it privately on his own good will and honesty that he would not quote directly from it. I recall times when we asked for documents and were allowed to see them privately, provided there were no direct quotes. I am not quarrelling with the government for not doing this, but has any consideration been given to it? I feel that the practice of the British House in this regard, of letting members see documents privately, would get around some of the problem.

Mr. MacEachen: I think that is a good suggestion, Mr. Speaker. I am sure if this were done, hon. members would respect the confidentiality of the document. Possibly the committee could consider it and make some recommendations.

At a certain stage someone has to make the decision whether a document is to be produced. In the past, the decision was sometimes taken on very general grounds. In the guidelines, we are attempting to specify the grounds so that members will know why a document is being refused. I am aware that probably in the government generally, and certainly in departments, there has to be developed a greater awareness of parliament, the requirements of parliament and a much more responsible system of answering the questions of hon. members and their requests for the production of documents.

There was a system in the House by which motions for the production of papers were called during routine proceedings on certain days, and a vote was taken and the decision of the House was final. That procedure was found to be unsatisfactory and changes were made in the

rules, so that now if there is a desire on the part of a member or the government to proceed further, the motion is transferred for debate and it is possible to debate the issue. But normally it is not possible to reach a decision, for obvious reasons.

It may be that the committee could take that matter under consideration and determine whether at some point, retrospectively, a committee of the House ought to review the practice and whether refusal by the government in a particular case was justified, so that as we developed the procedure a more open system would be in existence and would be seen to be in existence.

The hon. member for Fundy-Royal mentioned consultants' reports. There is no doubt that there has been a growth in the use of consultants, and as a result numerous motions have been put on the order paper asking for consultants' reports. There is no doubt that if you ask an individual in the government or outside for advice, if the advice is to be delivered privately it is couched differently than if the advice is to be delivered publicly. I have no doubt about the validity of that assertion, for obvious reasons.

We have now asked ministers who engage consultants to determine before the work is done whether it is expected that the report will be made public. If it is, the consultant ought to know so that he can defend the document in public. It seems somewhat unfair to ask an individual to make a report or give independent advice which he expects is to be rendered in private, and at a later stage to change the rules of the game and have the document made public. I hope that as a result of this specification in the guidelines, when consultants are engaged greater emphasis will be placed upon the practice of having the reports prepared so they can be made public, and that the consultant will know this when he begins his task.

Mr. Knowles (Winnipeg North Centre): Would the minister permit a question? Having produced these guidelines, I wonder whether he gave any consideration to listing the kinds of documents that would be tabled. He calls this document a set of guidelines, but to me it is more like the Ten Commandments: it tells you all the things you cannot do. This reminds me of the dear old lady who said that all they do is put ideas into one's head.

Why not a list of the kind of documents that would be tabled? It seems to me that we are not getting anywhere in this discussion, and maybe that is an argument in support of the matter going to committee. We all agree that everything possible should be tabled, but the minister gives negative guidelines that in the end say that something can be tabled but an awful lot would not be. Can the minister not produce something more positive than negative guidelines?

Mr. MacEachen: Mr. Speaker, probably it would have been a lot better if we had begun with 60 categories of documents that should be made public, then the 16 categories of exemptions would have appeared less suspicious to my hon. friend. The principle was that we proposed to make public everything that is available, with the exception of these restrictions. Looking at the guidelines, they do not encompass all the areas of government but there are rather specific areas included.

[Mr. MacEachen.]

The committee may want to reverse the procedure and make a statement that is more positive, along the lines of the suggestion made by the hon. member for Winnipeg North Centre (Mr. Knowles). I realize I have mentioned that, presentationally, the conclusion or impression could have been created by the guidelines that the purpose was to tighten the situation. The opposite was the case. We wanted to open the flow of information, but in opening it we wanted to make clear to the House the principle that there ought to be exclusions. That is the point I made earlier and it is the point my parliamentary secretary made.

• (1750)

I had something to say about consultants' reports. I believe we would adopt a sounder approach if we could determine at the beginning what is to be made public, so that the man writing the report and giving advice would not be faced with the knowledge, several months later, that the document was to be made public. If that were the case, he would have a legitimate cause of complaint.

In the case of evaluation reports, it seems to me there is another difficulty and perhaps the committee would want to consider it. Departments are constantly evaluating their programs, either informally or in a formal way, and reports are produced for the use of the deputy minister or the minister. Persons making these reports are bound to be influenced by the knowledge that the reports are for the private use of officials. Are they to be made public for the use of all the people of Canada? I believe that if evaluation reports are to be made, it ought to be with a view to having them made public is such a request is ultimately made; but the request must be made that they be made public. Obviously, the same reasoning applies to other reports. I am sure many evaluations are made with the full knowledge, backed by a promise, that the reports are intended solely for the confidential use of officers within the department concerned.

Mr. Speaker: Shall the motion carry?

Some hon. Members: Agreed.

Motion (Mr. Reid) agreed to.

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

• (1800)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-31, an act respecting the Electoral Boundaries Readjustment Act—Chapter No. 6

Bill C-156, an act respecting the Electoral Boundaries Readjustment Act—Chapter No. 7

Bill C-166, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973—Chapter No. 4

Bill C-167, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1974—Chapter No. 5

At 6.08 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CROP INSURANCE ACT

REIMBURSEMENT TO PROVINCES FOR PARTIAL ADVANCES ON CROP INSURANCE PREMIUMS

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill C-129, to amend the Crop Insurance Act, be read the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, in the Speech from the Throne reference was made to the government's intention to amend the Crop Insurance Act so that the cost to farmers of this protection would be reduced.

Bill C-129 provides that when a province agrees to increase its financial contribution to the program by paying all the administration costs, instead of being reimbursed to the extent of 50 per cent of these costs by the federal government, the federal government will increase its contribution to the premiums from 25 per cent to 50 per cent. In this way, both levels of government will increase assistance to farmers so as to reduce farmers' contributions from 75 per cent to 50 per cent of the premiums necessary to cover indemnities.

• (2010)

I have heard from the ministers of agriculture of all provinces which now have agreements with the federal government under the Crop Insurance Act and I am assured that this amendment has the endorsement of their respective governments. In fact, three provincial governments, British Columbia, Alberta and Manitoba, have recently made plans for their crop insurance agencies to sell crop insurance to farmers in 1973 using a rate structure based on the increased government contribution set out in this bill. Several other provinces planning to do so are hoping that this legislation will soon become law. It is understood that until this bill is passed, these provincial

governments will advance 50 per cent of the premium to the respective crop insurance funds and pay all administration costs.

The Crop Insurance Act was passed in 1959 and has been amended three times to make improvements to the program and to increase its usefulness to the farmers of Canada. Crop insurance was first sold to farmers in Manitoba in 1960 and the program was expanded to include Saskatchewan in 1961, Prince Edward Island in 1962, Alberta in 1965, Ontario in 1966, British Columbia in 1967, Quebec in 1968 and Nova Scotia in 1969.

Farmer participation has increased slowly and in 1972, the year just passed, 49,268 farmers purchased insurance worth $160 million, for a total premium of $11,172,000. Total indemnities which we expect will be paid on last year's insured crops will exceed $13 million, the largest crop losses occurring in Alberta, Ontario and Quebec.

I have said the number of farmers protected by crop insurance in 1972 was 49,000. This represents less than 20 per cent of the number of farmers who are eligible to purchase this protection. There are, I believe, several reasons why many farmers have not used this program, and Bill C-129 before the House is one major step toward meeting farmers' objections, particularly the objection that the level of the guarantee is too low and the premium is too high.

Variation in crop yields is one of the major risks of farming. This variation can be caused by a number of unavoidable actions of nature. The cost of any insurance program that might be designed to compensate a farmer for any crop damage would be prohibitive. Therefore, crop insurance is a program to guarantee a level of production on a farmer's total crop up to 80 per cent of a farmer's previous average yield, so that when a crop is seriously reduced the farmer is assured of a return which will generally cover his investment in the crop. While many farmers prefer the higher guarantee, the premium cost is often prohibitive when added to all the costs that a farmer faces each spring of the year. The most common level of coverage is 60 to 70 per cent of average yield, and the average premium for this coverage has exceeded 7 per cent.

In the 12 years that crop insurance has been sold in Canada, $73,187,000 has been collected in premiums, of which the farmers have paid $52,643,011, and $70,800,000 has been paid to farmers whose crops were less than the guarantee. Thus, for each premium dollar paid by farmers in total, farmers in total have received $1.35. Each year improvements are made in the terms and conditions of crop insurance plans to meet farmers' needs, but this bill will be a big step in permitting improvements in the size of the guarantee in relation to the cost to the farmer.

I expect that the number of farmers who buy crop insurance in the next few years will nearly double. The basic idea of crop insurance, that a farmer decides to purchase protection before he sows a crop, is new to many farmers. Many farmers continue to self-insure, to take a chance, to diversify to reduce risk of crop loss, or to rely on government emergency grants. My experience of this sort of thing is not good. All it amounts to is a lot of buck-passing between the two higher levels of govern-

ment and the farmer generally ends up holding the empty bucket.

As all provinces step up their efforts to explain the advantages and operation of crop insurance, and particularly with the ever increasing need for higher cash investment in every crop, I can see the majority of farmers using this program in the near future and benefiting from the stability of income that it provides.

I might add that since being appointed Minister of Agriculture I have visited and consulted every one of my provincial counterparts and discussed the changes that we think are desirable in crop insurance for Canadian farmers. I am still receiving suggestions from them. I have done the same thing with all the farm organizations. I have attended many public farm meetings and asked farmers to suggest the changes that they think would be practical to make crop insurance more enticing to the agricultural industry as a whole.

At the first federal-provincial meeting of agricultural ministers this has top place on our agenda, so that new and even better legislation than that which is on the books will be presented to farmers in the crop year 1974-75. Crop insurance, I think, is something they all want. They want an insurance plan that is closer to their idea of what real insurance should be, that is closer to the principle of insurance as we all know it.

I might also add that I know a bit about insurance since I sold casualty insurance part-time for seven and a half years and was director of Co-operators Insurance, the largest casualty insurance company in Ontario. I must say that I think our crop insurance program has a long way to go before it is what many producers and farmers in this nation want it to be, that is, real insurance that guarantees them against loss. I am willing to listen to any reasonable presentation by any member of this House, by any group or by any one of my provincial counterparts, so that we have the most advanced and progressive type of crop insurance in the world.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I am delighted that the Minister of Agriculture (Mr. Whelan) has taken this opportunity to introduce an amendment to the Crop Insurance Act. Crop insurance is a prime topic among farmers today due, I think, to the terrible experience that farmers in various provinces have had because of weather, flood conditions and so on, all of them acts of God. Not only were farmers unable to cope with these disasters and prevent the tremendous damage that was caused, but farmers found themselves in most instances unable to cope with them financially.

• (2020)

When one thinks of crop insurance from the farmer's point of view, he thinks of an investment in the form of a premium to safeguard against partial or total crop loss which might place the farmer in an economic strait-jacket as far as financing further crops or other farming activities is concerned.

We have had the matter of crop insurance before us for a number of years. As an indication of the fact that something is drastically wrong, let me point out that in 1972, of the hundreds of thousands of farmers in Canada who could take out crop insurance only 46,000 availed themselves of this opportunity. This was a decrease of almost 7,000 farmers from the 1970-71 crop year. This would lead one to believe that the farmers are not satisfied with the present crop insurance plan. They are discouraged to the extent they are not taking advantage of the minor provision available to them at the present time.

What is the basic problem? When you talk to farmers, as most of us have, who have experienced flood, hail, rain, wind or fire damage, you will find that farmers are very blunt. You ask them why they do not take out crop insurance and nine out of ten will say quite bluntly, "Because it is not worth a damn." That is their attitude. I think you will find that their experience has not been happy in respect of crop insurance. You cannot point the finger of blame at any one segment of government or any particular administration.

One of the basic problems which we face is related to the structure of crop insurance. It is initiated by the federal government and administered by the provincial governments in ten different ways; they are not universal in their application or methods. When you have a situation like this you are bound to have disruption, time lapses and maladministration, all of which leads to dissatisfaction.

The minister stated—I was happy to hear this—that the government is going to try to initiate coverage up to 80 per cent of loss. This sounds reasonable on the face of it, but in the actual application so far as the farmer is concerned, it does not work out that way. A farmer may have one field, part of which is on a slope and part of which is on the level; one part may be along a river flat and one part on an incline. Part of this field may suffer 40 per cent crop damage, while the other part is not damaged at all. When this happens the farmer is not eligible for any compensation because in total he has lost only 20 per cent of his crop. This is just one example; there are many.

The decision as to whether a farmer is eligible for compensation is a human one. Let us consider a crop of tomato plants, potato plants or tobacco plants. Such a crop, when hit by hail or a rain deluge, suffers a great deal of damage. The plants sit in water for a week or so and the roots are killed because of lack of oxygen. An inspector comes in to assess the damage. His assessment is never in accord with the damage the farmer believes he has suffered; the farmer feels he has suffered much greater loss than the inspector is willing to admit. We have many instances of crop loss which work severe economic hardship on the farmers involved, yet under the administration of the crop insurance plan they receive absolutely no payment. This is why farmers have lost faith in this particular type of coverage.

I know the minister was earnest and sincere when he said he was willing to hear suggested improvements. He has travelled across the country and talked to provincial ministers of agriculture, and I know he appreciates the difficulties. I am delighted that this bill is to be sent to committee where we can call witnesses and study it in detail, following which we can draw our own conclusions. There is no objection on the part of this party to sending the bill to committee. We believe crop insurance is an absolute necessity for farmers of this nation.

Under the economic situation which faces Canada today, farming is not a simple operation; it is a very complicated and high-investment industry. When this industry was new, $400 would buy all the machinery and equipment necessary to operate a 150-acre farm. But $400 today would hardly pay for the forms of energy required to turn over the machinery on the average farm for a week. That is the problem we face today. When we speak about farming today, we are not speaking about a $3,000 or $5,000 investment; in many instances we are speaking about an investment of $250,000 to $1.5 million. The operators of farms are interested in crop insurance to protect their investment.

We must not approach this matter on the basis of a simple bill relating to a primary industry, but as a measure for the protection of a very complicated business enterprise. Unless this crop insurance program is a businesslike proposition, the farmers will not be interested in it. It is our experience over the past number of years that they are not interested; this is borne out by the small number of farmers who have availed themselves of the plan.

Some 46,000 farmers have taken out crop insurance, 13,000 of whom are located in the western provinces, the birthplace of crop insurance. Therefore the House can understand the hesitation of farmers to participate in this program in other provinces. This is why we look forward to getting the bill before the committee, at which time members of this party will have suggestions to make and perhaps will move some amendments.

Let me go back to the principle I dealt with a moment ago in respect of differences in administration. Today the minister put forward a simple proposition to increase the federal contribution to the administrative costs of the program in an attempt to lower farmers' premiums. The idea is that if a farmer has to pay $1 an acre for a very simple crop insurance plan, the government will pick up, depending upon the province involved, 25 per cent or 50 per cent of the premium.

This is not the only type of insurance required by farmers. When we speak about crop insurance we cannot confine ourselves to small payments for a portion of a crop which may not be harvested. Such an approach has proved to be very unsatisfactory in respect of some segments of farming. If hon. members wish specifics, I will be specific and speak on behalf of the dairy farmers or those who produce beef. It is very difficult to compensate such a producer "X" number of dollars an acre for the amount of hay he was unable to take in because of a deluge of rain.

When such a disaster occurs, it affects not only one farmer but his neighbours in the next concession, those in the next township and often those in the next country. So we have an entire area that has lost the necessary forage. When you compensate the farmer by "X" number of dollars per acre on the basis of the hay he did not take in, you are only paying him on the basis of normal production. When we have a disaster such as this, the farmer is forced to pay for forage at a price which is sometimes tremendously high, not only because of an increase due to scarcity of supply but often due to the necessity to truck forage or take it by rail hundreds of miles into the area. All these things add to the cost, and the only avenue available to farmers is through supplication to the Minister of Agriculture and the federal government for extra grants and loans to take care of the situation.

• (2030)

Is it not more logical or sensible, when we are setting up a crop insurance program, to design it to provide most benefit to farmers? Farmers to whom I have spoken across this nation—I, too, have been across this nation—are not too concerned about the actual insurance premium per acre. Certainly they do not want to pay more than they must pay, but they are not too concerned about the degree of premium, that is, whether it be $1, $1.50 or $2 per acre. They are more interested in what it will buy if they should be faced with a catastrophe. They are more concerned about whether it will help them in the event of flooding of their entire crop, destruction by hail, by early or late frost, or by fire. This is what farmers are interested in.

However, unfortunately it seems that the total emphasis of the government continues to be on providing an extra 25 per cent of the premium per acre or in helping the provincial governments in respect of their administrative costs. It is all right for the minister to tell the House, which either he or his parliamentary secretary probably will, that the administration of these policies comes under provincial jurisdiction and that the province works out the actual mechanics of crop insurance. This no doubt is true, but the fact remains that there is a federal responsibility in the entire scheme. It seems to me the onus is on the government, through the Minister of Agriculture, to work out with the ministers of agriculture of the provinces a plausible, practical, logical crop insurance program which would be universal to the degree that it would be attractive to farmers, that they would have confidence in it and would feel their desires were met.

I am not impressed by the argument of the minister tonight when he told us that for every dollar in the form of premium which farmers invest in crop insurance, they receive $1.30. I am not impressed because many farmers who would receive $1.30 are today working in the towns and cities because they went bankrupt on the farm. They are there because disaster broke their economic backs. This is why we must look at this problem in a little different light. If the federal government is sincere in its plans to develop a viable, economic agricultural industry in this country, it must consider long-range plans.

First of all, this government must decide whether it believes an agricultural industry in Canada is indispensable. Never on this side of the House have we been able to determine, from the actions of the government, whether it feels this industry is indispensable. If the government believes it is, then it is time it started a long-range policy designed to put the business of agriculture on the basis on which it is entitled to be. When I speak of it being on a business basis, this is what I have in mind. All the farmers of this nation wish for an economic climate, not in which they need subsidies, not in which they need hand-outs or small loans from the governments at low interest rates, not all these tools for cripples but, rather, an economic climate in which they can receive the same return for their labour and capital investment as that received by all

other segments of the Canadian economy. If they get this, they will be satisfied.

We have an opportunity tonight, through this bill, to take one of the first steps in changing the policy and directing it so that the farmers will know that the Parliament of Canada feels their industry is absolutely necessary and that we are starting to take steps to make it possible for them to survive under the really tough international competition with which they are faced. The way to do it is by starting to lay the basis of an insurance plan that will give them some confidence in their own long-term investments, so that they do not have the absolute dread that one disaster, one act of God, in one year could wipe them out of business.

When we have succeeded in doing this—and I think we can—when we have established an insurance policy for Canadian farmers all across Canada which will fully compensate them for complete crop failure due to an act of God, then this parliament will have begun to do something worth while for the farmers of this nation.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, unless I am mistaken, I think this is the first bill amending an act which has been introduced by the Minister of Agriculture (Mr. Whelan). I congratulate him on taking some action in respect of the crop insurance legislation. Part of the question—this was touched on by the hon. member for Kent-Essex (Mr. Danforth) who spoke immediately before me—is whether the changes proposed by the minister will make this program really operative and one that will attract farmers to use it and have the protection they need. I wonder if it will.

We know the experience up to 1971-72. I am referring to the 1971-72 annual report in respect of crop insurance. It states that 46,326 farmers in Canada purchased crop insurance in 1971, and this was 13 per cent fewer than in 1970. So actually crop insurance has been attracting fewer farmers as time goes by. I do not have the figures here for Manitoba, but I have talked to some of the people in that province. Manitoba really tried to use crop insurance, but I think participation in the program is starting to decline.

• (2040)

In this bill the government proposes to increase to some extent the amount of money which it will pay. It will pay up to 50 per cent of the premium and the provinces will cover the administration costs. These are the essential features of the bill. Again I ask: Will this be sufficient to attract the vast majority of farmers into taking out this kind of insurance and paying the premiums? I have spoken to people in my constituency in Saskatchewan. I spoke to a man who is actively selling insurance to farmers in the area. There is a real drive to get farmers to take out crop insurance. If they had coverage, it would be protection against some of the disasters that we have experienced this year.

I would have liked to learn from the minister whether as a result of these new proposals he was expecting to absolve the government from responsibility to meet the kinds of disasters that occurred this year in Ontario, Quebec and the Peace River area of Alberta and British Columbia. I still have my doubts that this type of insurance will be able to compensate for those kinds of disasters, especially if farmers encounter a situation where they suffer drought or flooding for two or three years in succession. Is it the government's belief that, having enacted this kind of crop insurance, it can opt out of giving special assistance in such cases? I think it is taking the wrong attitude, if it believes so. Individualized insurance such as this will not cope with those situations.

I was interested to hear the minister say he wanted to get this scheme on a straight insurance basis. He said that he had sold insurance and that this was the way he was thinking. I am convinced that ordinary, straight-ahead individual insurance will prove to be the answer for the farmers. Some years ago I hoped that in western Canada some minister or some government would be imaginative enough to try to tie in PFAA with a crop insurance program. It could have worked in the three prairie provinces at least. One could take the major crops and make a deduction, at the same time use the individual insurance approach, and by amalgamating the two achieve over-all coverage. It would mean collecting premiums from the farmers. From the deductions you could build up a fund of considerable magnitude which would cope with a disaster when it occurred.

I am sorry to see the principle behind PFAA, which was to make a deduction right across the board in order to provide protection right across the board, being written off in order to go back—the minister may say, go forward—to a simple, straight insurance scheme where each farmer carries his own risk, with a certain amount of contribution for the premium being paid by the federal government or the provincial government as the case may be.

I think it will take some time before we get the vast majority of farmers covered under the scheme as it is now established. Some years ago I went to a meeting in my municipality which was attended by farmers from all around the area. The local ag rep attended, and we discussed this idea at length. We asked the farmers whether they would buy insurance to get this kind of coverage. The answer we received was that they would not. I would point out that the area around Rosetown and Biggar is representative of the central grain growing region of western Canada. If the crop insurance scheme is to be successful, it must appeal to that type of farmer.

The minister says he has gone across the country and spoken to farmers and to governments. I wonder if he really thinks that the farmers in Kindersley, Alsask, Medicine Hat, Maple Creek, Swift Current and all through that area, who farm one or two, or even four or five sections will use this program; or does he think there will still be a significant number of farmers in certain categories who will not use it? This is the question that needs to be answered, because most people would agree that if an insurance program is to be effective it must be universal.

I have my doubts whether the legislation that will emerge as a result of these amendments will achieve that objective. But we will have to wait only three or four years to find the answer. Instead of covering 46,326 farmers, if the scheme that is proposed tonight really is the answer it will cover 300,000 to 400,000 farmers. Does the minister expect this to happen? Quite frankly, I doubt

that it will. I do not particularly want to run down the idea, but if we are to have a program, it had better work and we must have good reason to believe that it will.

• (2050)

As I say, there is no special provision for disaster years; or at least the minister has not said there is. I think I am being fair when I say that his predecessor gave a clear indication that his objective was to establish policies which meant we would no longer have to ask the federal government for special assistance for the farmers. I believe that the amendment to the Crop Insurance Act was meant to achieve that major objective. That thread runs through the policies which this government and the one before it have proposed to the House. It ran through the policies in connection with the grains stabilization bill, that is, to have the government move out of any special category and adopt an automatic program that would meet the farmers' needs when incomes dropped.

As well as crop insurance we should look at the income policies of the government. After all, this kind of insurance is meant to maintain income in years of disaster. Over-all income is what the government should be concerned with. As well as this, we should be talking about changes to the Agricultural Prices Support Act. Either deliberately or by accident, some of the policies that we thought would be fairly effective—and were at one time—have become ineffective. I think part of it has happened by design. The Agricultural Prices Support Act has a ten-year average for the main basis of support, and 80 per cent of that is offered to farmers as a support price. Surely the minister and the government know that this act is largely inoperative because of the rise in prices. Just take the example of pork. When the price of hogs went down to $19 and $20 a hundredweight, the amount provided in the act was so low that for shame they dared not offer it to the farmers; they had to use an arbitrary figure, a large figure. How long is the government content to leave this situation as it is?

In his speech the minister said there might be some suggestions from this side. I suggest that he can start by shortening that ten-year average to five year, and by changing the 80 per cent to 100 per cent. He should then get somebody with a slide-rule to find out what the figures show. They might show a price support program that would be worth having on the statute books. Sheep men have come here time after time in the last three years and pleaded with the government for help in this regard.

The farmer is logical enough that he will not pay for insurance unless it will guarantee him an income on which he can live. One of the major reasons the insurance program did not grow, and instead declined in Saskatchewan and Manitoba through 1969, 1970 and 1971, was that the farmer's income was so low that it was not worth insuring, and he could not afford to insure it. The minister knows that; it is in this report. It does nothing for the farmer to offer a program to insure an income which in a year or two from now may not be worth insuring.

I have listened to the minister when he has spoken before the food committee, and I have read some of the speeches he has made across the country. He tells consumers that the farmer is giving them bargains. He is right; this government has helped the farmer to give bargains. The program which he proposes tonight assumes that there will not be disaster years. Of course, disasters are not the minister's fault but if there is not an agricultural prices support program to protect the farmer, it will be his fault; he will be responsible and should be called to account in this House. I see no sign that the government intends to deal with this matter. I see signs that they are proposing to let supply and demand make the decisions in the market.

The minister in charge of the Wheat Board says he is interested in farm income, although he never says what kind or at what level. Someone asked what he is going to do about putting rapeseed under the Wheat Board, and he said: Maybe this year, next year, come day, go day, God send Sunday; I am going to do something—maybe. He comes to this House and tells farmers what is the initial price for barley and wheat, and that he would like them to grow more rapeseed, too; but he does not offer any kind of support or price for rapeseed. Again, the farmer is to take the whole risk; he is to insure a crop when he has no guarantee of its value and no support against a disaster price. He just has to take his chance.

The same minister says he will keep supplying wheat to the millers at $1.95½. Even the farmers of Ontario are starting to plead with him to have the millers pay what the wheat is worth, because this is denying them a fair price for their product. Nothing is being done about it. This is the second time this sort of thing has happened; the first time was during the Second World War. Why not take the necessary action to increase the price of wheat to millers? Speaking of that portion of the wheat payments which comes from the treasury, the minister responsible for the Wheat Board said it is "clearly a consumer subsidy holding the price of bread down instead of letting it reflect world prices for wheat." This must be the biggest laugh in the world. Tell that to the consumers. Tell them the price of bread is held down. Somebody should go through the country and tell the people that, so they will know. That is the kind of irrationality we have been fed from time to time.

• (2100)

Speaking to the bill before us, I am in favour of developing crop insurance protection that the farmer can purchase and that will protect him against flood, hail, drought, and so on. Let me say to the minister, however, that this will only work and be accepted by farmers if they are given the opportunity to realize an income that is adequate for their needs. If farmers find themselves in the position of obtaining an adequate income, they will not run to the minister or anybody else looking for hand-outs: they will carry all the insurance they need and will look after themselves. We do not yet have policies that would place farmers in that position. Let me leave this thought with the minister: if he wants this program to work, he must acquire a better grasp of the situation and look at it in a broader context than he has until now.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am happy to say a few words about the suggestions of the

government, and especially on Bill C-129 the purpose of which is to give the farmers better crop insurance.

For a few years now, that insurance has certainly helped the farmers, but all are not insured; several were, but when time came for them to claim insurance benefits, they had a very hard time getting their losses assessed.

I know the inspection must be made in co-operation with the provincial governments; I also know that everything does not depend on the federal government, but I ask the minister whether he could—or perhaps has he done so already—consult with the provinces that a body might be appointed in each one to inspect the damages and so enable the farmers to collect their insurance.

In fact, a number of farmers suffered substantial losses and were unable to collect insurance because the damages to their crops could not be evaluated. It often happened that they called on inspectors in due time to look at the crops and the inspectors came around three months later, right in the middle of winter, which is certainly not the right time to evaluate crops. It was therefore decided that a number of farmers could not collect insurance, for the reasons I have given.

I agree with the hon. member for Saskatoon-Biggar (Mr. Gleave) when he says the insurance did not fulfill the required purpose. In my riding, which is semi-rural and semi-urban, a number of farmers declined to take advantage of the insurance. About 25 per cent did use the plan. I wonder why farmers did not take advantage of this insurance. Probably because they thought it did not offer enough advantages or because inspections are not made on schedule when damages are to be assessed. At any rate, only 25 per cent of farmers are insured and 75 per cent are not.

During last summer or fall, because of large losses in crops, caused by too much rain, the government decided to grant $400 to each farmer to help with the damages. About half my constituency was declared a designated area whereas the other half had the same damages and could not obtain these benefits because it was not designated as such.

In the course of the election campaign, this became a political argument and it was said that one area of the constituency was not recognized as designated because of its member sitting in the opposition. Yet, in the other part of the constituency, each farmer was granted $400 because it had been recognized as a designated area.

Mr. Speaker, there is certainly something the matter with this situation. I suggest it is unreasonable to do such things in a constituency. I don't know whether this has occurred elsewhere—I have not inquired, I have not pushed the matter further. In any case, this is what happened.

The $400 grant benefited to some, but others who incurred losses of more than $6,000 received only $400. There is again something that is not entirely fair in this. Many farmers are still dissatisfied that they received only $400, whereas they incurred much heavier losses. So, there is some injustice in this.

The initiative of giving $400 to farmers who suffered rain damage is contrary to the principle of crop insurance. This does not encourage farmers to buy more insurance, because probably they think that if they suffer damage, they need not pay insurance premiums because the government will subsidize damaged crops.

• (2110)

I think, moreover, that the minister should intercede with the provincial authorities so as to clear up this matter. There is definitely something unfair about the present insurance plan, which in no way solves the problem. Under the proposed insurance plan, the federal government undertakes responsibility for half of the insured parties and pays 50 per cent of the premiums, which I am not opposed to.

We shall definitely support this bill, although it will not directly solve the farmers' problems. It is a pretty lame sort of aid, as the hon. member for Saskatoon-Biggar said just now.

It is true that the provinces are the ones who decide; so the ministers of agriculture of all the provinces ought to negotiate clear agreements with the federal government. What is needed is insurance that would really cover crops that were ruined; if there were such a crop insurance plan, the government would not be obliged, as it has been in the past, to pay out $400 subsidies to help farmers whose crops have been damaged.

And so we need to set up a crop insurance plan that would really be of help to Canadian agriculture; if we did, I think all farmers would want coverage. Something must be wrong if only 25 per cent of farmers buy insurance.

I am no expert on insurance, but I know that there is something wrong since farmers are hesitant about insuring their crops.

As to the establishment of insurance policies, they should really insure crops, and when damage occurs, there should be an organization ready to take the proper steps and inspect where needed so that our farmers could benefit from this insurance which must insure and not only appear to. It should not be an insurance that does not pay when it is time to pay. When damages suffered by farmers must be paid for, this should be done quickly. This organization should operate in such a way that our farmers could really benefit from it and would be truly insured in an adequate manner.

I also doubt that this bill will be satisfactory to the great majority of farmers. I do not think there are that many changes in this bill. The bill should have been better explained. It should be referred to committee for a more thorough examination by agricultural experts who would give their views and bring valid solutions to allow our farmers to really benefit from crop insurance.

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am pleased this evening to speak about Bill C-129 because it shows that the present government and especially the Department of Agriculture, through the minister, are trying once again to give all Canadian farmers a tool enabling them to live comfortably and above all in security on their land.

As the hon. member for Compton (Mr. Latulippe) pointed out just now, last year in Quebec—I refer to Quebec because I am a member of that province—some weather

problems have inflicted rather heavy losses to farmers. Unfortunately, most of those farmers were not covered by crop insurance, which means that very few were insured.

Thanks to this bill, all Canadian farmers will be happy to find out that the government intends to give them a coverage which will enable them to remain on the farm when facing problems such as those that occurred last year.

Bill C-129 provides for another way of cost sharing between the federal government, the provinces and the farmers. Pursuant to this legislation, the contributions of the federal government, under the terms of a federal-provincial agreement, may reach up to 50 per cent of the total premiums, provided the province pays for all administrative costs. The producers' share would be 50 per cent of the premium. The federal contribution provided for in the bill would be paid by way of refund to the provincial government for the amount paid into the crop insurance fund of each province.

In 1972-73, the farmers of Nova Scotia, Quebec and Ontario have taken out crop insurance by paying 50 per cent of the premium. In the other provinces where crop insurance schemes are in force, the farmers had to pay 75 per cent of the premium. The cost sharing arrangements provided for in Bill C-129 will allow all Canadian farmers to take out crop insurance by paying 50 per cent of the premium.

Greater federal participation will result in more crop protection at a lesser cost per acre to the farmer. In addition, with the experience gained by the provincial administrations, the protection offered the farmer by guaranteeing that his crop is protected, will be of considerable value to all Canadian farmers.

Mr. Speaker, I trust all hon. members will support this bill which will give every Canadian farmer more security.

Crop insurance schemes have evolved somewhat. The Crop Insurance Act was passed by the federal government in 1959. Afterwards, it was applied in 1960 on a trial basis in Manitoba. Since then, eight provinces have provided crop insurance programs for farmers, namely Manitoba, Saskatchewan, Prince Edward Island, Alberta, Ontario, British Columbia, Quebec and Nova Scotia.

Initially the Crop Insurance Act entitled the federal government to enter into agreements with the provinces and to assume 50 per cent of the administrative costs and 20 per cent of the necessary premiums to apply the insurance. It also included provisions enabling the federal government to make loans to the provinces in the years when compensation requests would by far exceed the available reserves to indemnify the claimants.

Amendments have been made to the 1959 act in 1964, 1966 and 1971. The amendments of 1964 did away with loans and the federal government agreed to reinsure part of the risk incurred by the provinces, through an approved crop insurance plan. Then, when provinces decided to join the crop insurance plan, the federal government was willing to do something in this area.

Services offered through crop insurance are numerous. As a matter of fact, services offered by the Department of Agriculture of Canada under the Crop Insurance Act include assistance to provinces in order to promote, improve and change their crop insurance plan; the central co-ordination of programs designed to improve and further expand the insurance of crop losses for Canadian farmers; studies aimed at setting crop insurance plans on sound actuarial footings, and the carrying out of financial commitments involved in cost sharing agreements between the Federal government and the Provinces, as regards the share of premium and administration costs as well as the reinsurance of risk.

In 1971, crops have not been too good in most regions of Canada. Important crop losses were recorded in some regions of Canada, for various causes. In Quebec as in other provinces, bad weather during the sowing season or during crops was responsible for farmers losing considerable amounts of money. As we know the problems of farmers who suffer such important losses, we must support this new bill on crop insurance in order to help them.

The financial contributions of the federal Department of Agriculture to the crop insurance program cover the administration costs of the crop insurance division as well as payment made under the agreements between the federal and provincial governments. The Department of Insurance also offers at no cost continuing advisory services.

If indemnities to be paid exceed premiums collected, funds are advanced by provincial governments or under federal provincial insurance agreements.

The administrators of the crop insurance program are continuously trying to improve the provisions of crop insurance contracts to meet the needs of farmers in various areas. However, it seems administration should be improved so a larger proportion of farmers will understand the program and feel confident enough about it to use it regularly.

Mr. Speaker, I think we should all try to make farmers understand that crop insurance is really intended to help them survive periods as dead as those we knew last year and to prevent the same problems from re-occurring.

Mr. Speaker, it gave me great pleasure to say a few words tonight on Bill C-129 designed to help the farmers of Canada.

[*English*]

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I am pleased to take part in this debate on the crop insurance bill. I wish the minister well with regard to it. It is a small step in the right direction. I have to say, though, that it is late. In my area of Saskatchewan crops are already being seeded and the government of the province has not seen fit to offer lower premium rates to producers. So the sign-up out there is slow.

It seems to me the changes proposed in this bill are administrative rather than anything else. Looking over the annual report on crop insurance, I see there are 18 administrative costs to be borne by the insured farmer, which amounted to 18 per cent of the premium in Saskatchewan in the last three years. It makes one wonder. Really, the amount of money involved, $4 million last year, is so small in relation to the value of the industry as to make the plan almost worthless.

The hon. member for Saskatoon-Biggar (Mr. Gleave) suggested that crop insurance and PFAA might have been put together. That is a very sensible idea. Surely we need an agricultural insurance policy which covers a farmer's total income, which includes livestock enterprises as well as crops. The sign-up on the Prairies has been very slow for crop insurance, particularly in the province of Saskatchewan. The reason, of course, is that in the spring we are asking farmers to pay a stiff premium. On 200 acres, in the area I represent, the premium is about $476, and on 400 acres it is around $1,000. Admittedly, the government is proposing to take up half of this charge, but the remainder is still a lot of money to ask the farmer to lay out before he seeds a crop.

I should like to deal for a few minutes with the industry we are insuring. Canada is the second largest country in the world and we are rich in resources and opportunities. Yet the policies of the federal Department of Agriculture in the last few years have been inward-looking. We have become preoccupied with regional squabbles. In the west, we realize that our problems and our priorities are not the same as those of other regions of Canada. We know that steps must be taken to equalize standards and opportunities across this land; so once again I welcome this bill.

Our main crop in western Canada is wheat. Only two other countries in the world grow the hard, red spring wheat that we do—the United States, in its northern part, and Australia. We are the only three countries which grow this bread-making wheat for export. No other grain can be substituted for this wheat. This wheat can only be grown to best advantage in semi-arid conditions. This makes us extremely vulnerable to the whims of mother nature. So the Government of Canada has a real responsibility to help protect this wealth-producing industry. We have to carry over a large stock at the end of each crop year in order to be classed as a dependable supplier by the rest of the world.

The importance of grain to the Canadian economy can be considered in a number of ways. The commonest way is to take account of the direct contribution of grain sales to farm income and the amount added to the gross national wealth. But a more revealing way is to take account of the economic activity generated by wheat sales in various industrial sectors, since so many jobs and enterprises depend, direct or indirectly, on agricultural output. The production, distribution and export of 600 million bushels of wheat at the present price of $2.75 a bushel—which amounts to $1.4 billion—generates a total domestic output of $4.4 billion. The Agricultural Economic Research Council has all the figures. Total government revenue from the 600 million bushels exported amounts to $675 million. So the effect generated on the economy corresponds to $4.4 billion, direct income amounts to $2.1 billion and $675 million goes to the federal government. And I would remind hon. members that important though these exports are, western production of other grains used for processing, and so on, has an even more important effect upon the economy. It is now obvious it would have been possible to have sold, at competitive world prices, the production from 10 million acres removed by the government's Lift program. This was a direct loss to the Canadian economy of over $500 million, and to the food system of over $700 million.

[Mr. Hamilton (Swift Current-Maple Creek).]

• (2130)

We can turn the question around and ask, what could the government afford to pay in the way of market development, export assistance or price subsidization and be no worse off? Several partial analyses have revealed that a government promotion of $1 per bushel could be provided for wheat, and this would result in direct and indirect benefits accruing to all sectors of the Canadian economy. I suggest that the federal government could well afford to be more generous than they have been in the provisions of Bill C-129.

As I have said before, it is now a fact that Canada is a wealthy country. The financial resources of the federal treasury are such that if these moneys were redirected with a greater input toward agriculture, new concepts could be developed. Of primary importance is the realization that the producers in this country are entitled to a satisfactory return for their labour. In other words, they are entitled to prices to ensure their continuation in business and the accepted standard of life and opportunity Canada affords. If the marketplace cannot provide these requirements, then it is my contention that Canada should.

Agriculture is a permanent foundation for economic activity, as contrasted with resource-depleting industries. One thing is important to keep in mind, however. Whatever is done must not be done at the expense of soil deterioration. The land should not be overworked in order to compensate for excessive grain shortages, nor should it be considered worthless in times of overproduction. Our main objective has to be to increase food output. Food is so basic a commodity and so necessary that the federal government must be involved. In effect, only three areas of the world produce more than they consume—Canada, the United States and the European Common Market. New prosperity around the world and new political realities ensure demand for better food.

It is said, Mr. Speaker, that a journey of 1,000 miles starts with a single step. I think this is a single step that we are taking tonight, and I look forward to dealing further with the bill when it reaches the committee.

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I shall not take too long tonight so we can get this bill through second reading as quickly as possible. I should like, first of all, to say on behalf of my party that we welcome the bill. We feel it is a step in the right direction. At the present time, farmers in my province have been subsidized to the tune of 25 per cent of their premium for crop insurance. Now they will be getting 50 per cent of their premium through the auspices of the federal government.

One thing that does bother me is this. In my province, in fact in the prairie provinces, there was a decrease in participation in the crop insurance plan during the crop year 1971-1972. In Saskatchewan and Alberta I suppose we could put part of the blame on Lift, the Lower Inventory for Tomorrow program—or, as some people in Saskatchewan call it, "lower income for tomorrow"—and the grasslands incentive program.

Saskatchewan has the largest cultivated acreage in Canada. According to a report that I received some time ago, we have the third highest insured acreage. One

matter that the committee on agriculture will have to delve into very seriously is how we can get more farmers involved in crop insurance. I suppose we will have to convince the farmers that crop insurance is good for them, and make it so attractive that all of them will want to participate.

This report, the annual report of the minister under the Crop Insurance Act for 1971-72, is not completely up to date since we are now in 1973, but I should like to put on the record what measures have been taken in my home province to extend the crop insurance scheme. What the provincial government of Saskatchewan is doing, together with the proposed amendment in this bill to the Crop Insurance Act, should make crop insurance more worth while for Saskatchewan farmers.

To begin with, in the early phases of crop insurance in Saskatchewan, which commenced in the early 1960s, not too much progress was made during the seven Liberal years that we had. There was a Tory-Grit coalition to keep us out of power. But then we managed to get back in. Since 1971, crop insurance has been extended to include all agricultural areas of the province. Originally it covered only the eastern section of the province; now the entire province of Saskatchewan is covered.

The minister's report for 1971-72 indicates, on page 4, that in Saskatchewan the lands available before 1964 were for wheat, oats and barley only. I should like to inform the House that more crops have now been added and at the present time there are eight crops included under the crop insurance scheme in Saskatchewan. These are spring wheat, Durum wheat, barley, oats, fall rye, flax, sunflowers and rapeseed. Furthermore, coverages in general have been increased with inclusion of the latest yield data. A 70 per cent basic level of coverage is available for all crops included in the plan, in addition to the 60 per cent basic level of coverage. Also, a coverage adjustment feature which is based on individual crop insurance experience for insured crops is included.

A quality guarantee is included in addition to the quantity guarantee, and provides that if production is reduced in quality due to an insured hazard, the grade is also considered in determining the loss in production. Hail losses will also be adjusted on an individual field and on a spot loss basis. This provides protection against partial losses through hail and at the same time maintains an over-all guarantee as provided under the basic crop insurance plan.

• (2140)

In addition, an expanded program of information and promotion is being carried out. This is something the federal government could be doing. We must have a change in the method of selling and servicing so that more farmers in Saskatchewan are involved. In my constituency, and I live in the fringe area of agricultural land in Saskatchewan, about one-third of the farmers suffered heavy frost damage. Farmers who held crop insurance had an advantage over those who did not.

Since this is a federal-provincial program, I should like to indicate that the province of Saskatchewan is considering at the present time how it can better insure the farmer. In the provinces of Alberta, Saskatchewan and Manitoba, insurance is more or less based on the average yield for the last 25 years. One of the problems of determining whether a farmer should be insured on the basis of 5 per cent or 10 per cent of average yield is lack of statistics. At the present time, the government of Saskatchewan is trying to develop a system of establishing coverage for each insured based on the actual yields. This will require collecting yield data on an individual farm basis.

At the present time, risk area boundaries are based on municipal losses, which results in different rates of insurance on almost identical land and even within units. It would appear that rate areas should be segregated with land boundaries in respect of irrigation, soil and such things. It has also been contemplated that other crops should be insured under this new crop insurance scheme in addition to the eight I have already mentioned. One crop being contemplated is mustard seed.

A major concern of the farmers in Saskatchewan is that the crop insurance program by itself will not provide the production protection required if several consecutive disaster years should occur in a particular area. Since crop insurance guarantees only a portion of the long-term average yield, with present markets in respect of farming a farmer cannot survive at this level of production over a period of years. The increased contribution under the proposal should in no way relieve the Government of Canada from responsibility under adverse conditions such as I have mentioned. Once again, I feel that the crop insurance scheme has come a long way in Canada. It has made progress over the last 10 or 15 years, and I believe this is a step in the right direction. But we still have a long way to go.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I was interested in hearing what the parliamentary secretary to the Minister of Agriculture (Mr. Corriveau) had to say when he suggested farmers would be proud of a government that brought in a crop insurance policy of this kind. Let me suggest that Ontario farmers are receiving virtually the same kind of deal this year, under this policy, that they received last year, and they will not find this acceptable. The hon. member is a long way out in left field in this regard, and if he continues to make statements like that he will find that he is not on the ball team at all.

The hon. member for Meadow Lake (Mr. Nesdoly) said the government would be required to convince the farmers to buy insurance. I can only suggest that if he were acquainted with farmers he would know that you do not have to convince farmers about policies.

An hon. Member: He is a farmer.

Mr. Towers: Farmers know what they want, they know when they have a good deal and they will participate without being convinced.

I am pleased to participate in this debate on Bill C-129 because crop insurance is a matter of urgency. I had hoped the government would place before this House a crop insurance policy at an earlier date, in view of the fact that the fruit season in British Columbia commences on October 1, at which time there is danger of a first frost. Nevertheless, Bill C-129 must be considered and forward-

ed to the committee as quickly as possible. I would urge the government and the committee to accept reasonable and logical amendments such as those which have been suggested. No doubt there will be more. The minister has said he welcomes suggestions by members of this House, and I hope he will make use of them.

I realize the Minister of Agriculture (Mr. Whelan) has problems in attempting to have his proposals accepted by the cabinet. I hope he knew what he was talking about when he said he would accept the ideas of hon. members and use them when bringing forward new crop insurance legislation. Let me quote from the statement he made during the debate on the throne speech. As reported on page 344 of *Hansard*, the minister said:

> These problems concerning crop insurance are hard to overcome. In view of these difficulties I believe it is time to re-examine the entire crop insurance program, to set out goals firmly in mind, and to develop a better program. During my trip across Canada, there was not one provincial minister of agriculture who did not bring this to my attention. They want the real principle of insurance embodied in crop insurance. They feel it is not in the program at the present time.
>
> Again, I am open to suggestions from anyone who has any ideas on how we can improve the crop insurance program.

I wonder whether the Minister of Agriculture is disappointed with the results of his efforts as exemplified by Bill C-129, having made a statement of that magnitude? Although administrative costs are being shifted to provincial governments, with the federal government assuming responsibility for 50 per cent of the premiums, in most cases the farmer does not receive any greater protection. Bearing in mind the difficulties experienced by the minister in getting his point across to his colleagues, I wonder if he was forced to adopt a third official language which he now refers to as "Whelanese" in order to mesmerize the farmers into believing that his new policy would provide the answer to agricultural problems.

An hon. Member: The farmers understand him.

Some hon. Members: Oh, oh!

An hon. Member: Come on John; you wouldn't know a soybean from a golf ball.

Mr. Towers: Being a new member, I find there is a great deal to learn about parliamentary rules and procedures. If we also need to learn "Whelanese" to properly understand the Minister of Agriculture, it will be an unexpected addition to the list of parliamentary rules and practices which every newly elected member is endeavouring to master.

In attempting to assess what the Minister of Agriculture has been saying, whether or not in "Whelanese", his phraseology has to be decoded. Once a person has the formula, or code, he has a better opportunity to understand what the minister means. For instance, when he spoke during the budget debate the minister said, as recorded at page 1580 of *Hansard*:

• (2150)

> This is a budget for little people. They have benefited a great deal from the budget, more than others. Secondly, farmers will benefit from the changes made in the capital gains tax as it applies to transfers of farms from a father to the mother or child. This is a major concession, one that I am very happy to see in the budget.

[Mr. Towers.]

What the minister is saying, in his third language, decoded, is that it was a stupid piece of legislation to begin with, which would eventually have destroyed the agricultural economy of this country; that the federal government admits that its inception was an error and is now trying to rescind the regulation. Actually, all that is being done is allowing transfer of a farm of a deceased to his wife, son or daughter without imposing the capital gains tax. In other words, a farmer, after labouring all his life to develop and maintain a farm for his own and his family's future, has to die to receive his just dues from this government. Apparently this is the way to say it in "Whelanese". Shakespeare put it more aptly, thus, "The good that men do is often interred with their bones".

To continue with the interpretation of "Whelanese" as shown on page 1248 of *Hansard*, when referring to fertilizer the minister said:

> There is to be no price increase. The price will be the same as it was last August for all Alberta; it will not change in that area . . . They have ample supplies . . . At least that is one good bit of news, Mr. Chairman.

The truth of the matter is, Mr. Speaker, fertilizer is scarce and the situation will worsen, because many farmers do not have storage facilities, and therefore rely on its availability at seeding time to meet their needs. The price of fertilizer, quoted by one of the major retailers, if not the largest in Alberta, in January, 1972, for ammonium nitrate 34-0-0 was $63 per ton bulk. In January this year the same fertilizer cost $76 per ton. I want to stress the point that the minister either did not know what he was talking about, or he was deliberately trying to imply something which is not the truth, when he stated that the price of fertilizer in January would be the same as it was last August.

Mr. Deputy Speaker: Order. I am having difficulty because the hon. member seems to be dealing with the price of fertilizer, and Bill C-129 amends the Crop Insurance Act. Perhaps the hon. member would bring the two matters a little closer together.

Mr. Towers: Mr. Speaker, I appreciate your guidance. I am guided by what you say, but I wanted to relate the cost of fertilizer and what the minister said to the bill with which we are dealing. Perhaps Your Honour would bear with me for a moment.

Those who purchase fertilizer know that the high price for the year is during July and August, and in the off-season during the months of September to January companies either lower prices generally or give a percentage discount. In the period to which I refer, the crop year 1970-71, there was a 7 per cent discount on fertilizer. During the 1972-73 crop year, the same company allowed a discount of 6 per cent. The minister ought to know that it is not honest to compare the reduced price in January to the high-season price of August. In addition, there has been an increase of $3 per ton right across the board for fertilizer. This is another example of "Whelanese" and of a government giving farmers and Canadians generally a false impression or a direct shafting.

Mr. Whelan: On a point of order, Mr. Speaker, what has been said is a misinterpretation of the words I used. I said the information given to me was that if there were any

increase, it would be reasonable. I asked that if any member of this House had any information otherwise, he should bring it to my attention. It has been brought to my attention just recently by one member, and we are investigating it now. Fertilizer was delivered in my area this January at the same price as last January, and all the other checks in my area show very nominal increases in fertilizer up until this date.

Mr. Towers: Each year, as the farmer's costs of production increase, crop insurance becomes more vital to his operation. Farmers must have a policy of crop insurance which is acceptable under present circumstances; a policy which is related to current problems; a policy of protection against partial or total crop loss; a policy that allows him to remain in production. If a farmer has the opportunity of participating in this type of crop insurance, he will purchase it. Last year only 18 to 24 per cent—this was mentioned by the hon. member for Kent-Essex (Mr. Danforth)—of those engaged in the production of food were able to afford crop insurance.

Something must be done to place crop insurance within financial reach so that every farmer can have its protection. Although the proposed legislation would be of benefit and will be supported by our party, if there is nothing better forthcoming we would like the minister to live up to his word by including suggested amendments to improve the crop insurance policy. I also hope the minister realizes it will take more than "Whelanese" to establish satisfactory crop insurance.

Last year in Canada the cost of production of agricultural products was approximately three times as much at it was 25 years ago, with grain selling at 10 per cent to 20 per cent less than during that period. These producers must be protected so that they can continue in business. If they do not lose their crops, they can survive. When their crops are destroyed and they do not have the protection of insurance, they are in serious trouble. When the crop insurance bill goes to committee, as was mentioned by my colleague the hon. member for Kent-Essex, we intend to propose an amendment in the hope that the government will accept it.

Some provinces are at present considering the implementation of a spot loss clause. I am convinced that crop insurance will never be a complete success unless this government permits the provinces to establish a spot loss policy on an acceptable maximum market value level above that established by the provincial governments on the basis of the market value of the crop. The federal government has failed to initiate proper leadership in the area of crop insurance. But if the Minister of Agriculture can convince his fellow cabinet members that inclusion of this type of plan into the formula which has been suggested in Bill C-129 is reasonable and practical, I believe it would be acceptable to the majority of farmers.

A successful crop insurance policy would help not only the farmer but every Canadian by their having an opportunity to buy food at lower prices. This would be an excellent way for a government to ensure that farmers are not forced out of production through crop loss. It is to the advantage of everyone to see that farmers continue in business if they so desire. Crop insurance most suitable for farmers can be provided through the federal government working in co-operation with provincial governments. I would suggest that the Minister of Agriculture forget about trying to mislead the Canadian farmers. They are much too smart. What the farmers want is the truth and a crop insurance program that works.

• (2200)

Mr. Deputy Speaker: The hon. member for Joliette (Mr. La Salle).

Mr. McKinley: Mr. Speaker, may I call it ten o'clock?

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Speaker, I wonder whether there is a disposition by the House to bring this debate to a close.

Mr. Danforth: Mr. Speaker, I am sure the House will understand that some of our members who wish to participate in this debate unfortunately had to attend a funeral in the west. In the circumstances, I am sure the government would be disposed to allow the debate to continue on another day.

Mr. Turner (Ottawa-Carleton): We understand that, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Joliette will be recognized when the debate resumes.

PROCEEDINGS ON ADJOURNMENT MOTION

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

CANADIAN NATIONAL RAILWAYS—DISCUSSIONS ON AMENDMENT OF PENSION PLAN TO PROVIDE PAYMENTS ON BASIS OF 2 PER CENT PER YEAR OF SERVICE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Monday, January 15, 1973, as recorded in *Hansard* at page 275, I asked this question:

> Mr. Speaker, my question is for the Minister of Transport. Is the minister having discussions with Canadian National Railways concerning the desirability of amending the Canadian National pension plan to provide for pensions on the basis of 2 per cent for each year of service as is the case for Air Canada employees and federal public servants?

This was the reply of the Minister of Transport (Mr. Marchand):

> Mr. Speaker, the Canadian National and the Canadian Pacific are now negotiating with the railway employees' unions and this is one of the items to be discussed. When I met the two presidents a few weeks ago, I indicated that I was certainly interested in the issue of the pension fund and I expressed hope that they would find a solution to this problem which has been pending too long already.

That was a good statement. The trouble is that "too long already" can go on until it becomes far too long. Subsequently, on Thursday, March 22, as recorded in *Hansard* at page 2489, I asked the Minister of Transport a question again on the same subject, using these words:

Adjournment Debate

Is the minister yet in a position to make a statement to the House concerning improvements in railway pensions, both Canadian National and Canadian Pacific? Also, can he tell the House whether he has been able to persuade Canadian National that its pensions should be at least equal to the pension provisions enjoyed by Air Canada employees and by employees of the federal public service?

The minister's answer was as follows:

I think the hon. gentleman knows that negotiations are presently going on between Canadian National, Canadian Pacific and the railway unions and that this subject is being discussed by the parties. I hope this very important problem of pensions will be solved this year, and I am ready to do whatever I can in order to obtain a just solution for the employees.

My purpose in rising tonight and recounting these two questions and answers is to express the hope that the minister is doing something in order to obtain a just solution of this problem. As some hon. members may be aware, reports have been leaking out to the effect that certain matters are being settled between the railway employees and the railway management. I do not have any definitive word as to what the terms of a possible settlement are. As a matter of fact, there is still a fair amount of confusion, but I am disturbed most of all over the fact that it seems some agreement is being reached with respect to the pension plans of the Canadian National and Canadian Pacific, but that this agreement relates mainly, if not exclusively, to employees still working or, at best, with respect to very recent service.

One report that has come is that there will be pension improvements for those who were in service up to the end of 1972, and that an adjustment may go back as far as 1956. But for those who retired prior to 1956 on either railway there seems to be nothing in prospect so far as these reports are concerned.

Now, Mr. Speaker, because I have admitted that I do not know the details of any settlement that may be in prospect, it would not be proper for me to say much in that respect. However, I do want to impress upon the government, even though we are talking about something that is the subject of collective bargaining, that it has a responsibility to the employees of our major railways who are already retired.

Any settlement that is made that does not take into account the position of the older employees of Canada's railways should be reviewed by the government, and the government should do something about it. One of the railways is owned by the government, so surely the government can have some input into the question with that railway. I do not accept the argument so often advanced, that because the Canadian Pacific Railway is privately owned the government can do nothing about its pension plan. As a matter of fact, the Canadian Pacific lives in the public domain, has public support and has had a great deal of public money. I suggest that the federal government does have authority over that railway as well as over the Canadian National.

What is required in this area, Mr. Speaker, as a very minimum, is a pension plan that provides for a 2 per cent pension for each year of service that an employee has given to the railway. I believe a calculation along those lines should be made for employees already retired. There is also required a formula for the escalating of pensions, after retirement, better than the 2 per cent they now get from the CNR. It should, in fact, be equal at least to the cost of living or, better still, to the rising standard of living.

There also needs to be an improvement in the position of widows of retired employees. At the present time, when a retired employee dies his widow gets a pension of only 50 per cent; most of us think it should be much more. There also should be provision for early retirement without severe penalty, as is now the case.

These are the things that ought to be enshrined in railway pensions. They ought to be at least as good as the best provisions there are for Air Canada and federal public servants. As a matter of fact, I would like to see their pensions as good as pensions provided for members of the House of Commons.

My plea to the government tonight is to recognize the fact that even though this subject is being dealt with at the collective bargaining table, the government has a special responsibility to those already retired. I hope this year will not go by without something substantial and meaningful being done for all retired railway employees.

M. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, to date the Canadian National Railways board of directors, who are trustees of the pension fund, have authorized all changes to the pension plan. The plan is administered by a pension board consisting of an equal number of labour and management representatives with whom the company discusses proposed changes in the plan and from whom the company receives proposals for changes.

On the pension issue, I am informed that this year, for the first time, the unions included pension demands in their notices to bargain. The major demand is that the present plan, which provides a pension of 1½ per cent of the average of the best five years' earnings per year of service, be raised to a 2 per cent pension. CNR management and union representatives have agreed, subject to the conclusion of an over-all agreement, to adjust the present pension plan from the 1½ per cent formula to a 2 per cent formula back to 1956.

• (2210)

Mr. Knowles (Winnipeg North Centre): Is that all you have to say?

GOVERNMENT ADMINISTRATION—INCREASE IN DEPARTMENTS AND BUILDINGS IN OTTAWA—FUTURE POLICY

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, on February 8 I asked the Prime Minister (Mr. Trudeau) what, if any, are the limits to government growth in Ottawa. That question was sparked by news that the government had bought the Metropolitan Life Insurance building and the Orme building for $15,450,000 and intends to buy more property on Wellington Street for expansion of government departments. The Prime Minister answered by deflecting the question to the Minister of Public Works (Mr. Dubé).

On February 22 I asked the Minister of Public Works how the huge government spending program in Ottawa

could be reconciled with "an effort to develop government services throughout western Canada." The minister seemed to treat the question lightly by pointing out that "obviously there are more government services in the capital of the country than elsewhere." However, he added that he agreed with me that "there could be some redistribution of power." It is redistribution of power in a physical and intellectual sense that this country urgently needs.

When I asked these questions, an Ottawa journalist wrote that I was "knifing" the city of my boyhood and forecast that when I rose tonight it would be to make an "anti-Ottawa" speech. This speech, Mr. Speaker, is not anti-Ottawa but pro-Canada. The unlimited growth of the federal bureaucracy in Ottawa is a reflection of the superman philosophy that characterizes this government. With every passing day as a Member of Parliament in Ottawa, I become more convinced that the federal government is too big, too dominant, too expensive and imposes itself too much upon people's lives.

Will this bureaucracy ever be limited? Obviously, it will not this year, Mr. Speaker, for the Department of Public Works is rushing along a spending program for Ottawa that exceeds the total amount of public works spending in the four western provinces and the two northern territories combined. The 1973-74 estimates show that the department is working on 22 major projects in Ottawa at a cost of $26.3 million. In the entire west and north, the department is spending $25.7 million on new projects. Similarly, the full spending budget for all operations in the city of Ottawa is $97.4 million, while the full spending budget in the west and north is $73.1 million.

On March 19, 1973, appearing before the miscellaneous estimates committee, the Minister of Public Works justified this enormous spending program in Ottawa because the number of civil servants is increasing by 5 or 6 per cent a year, "and you do have to find space to house them." Then he went on to make the incredible statement that because Canada is prosperous "it is normal that the capital of our nation does increase; we are all in favour of that."

Well, Mr. Speaker, I am not in favour of this never ending escalation of civil servants who need ever more office space, and neither are millions of Canadians who do not live in the capital city, however majestic its scenery especially at tulip time. No wonder the federal government's budget has tripled in ten years and that the 1973-74 fiscal year will see a 17 per cent increase in expenditure. Ten years ago there were 197,998 civil servants, and today there are 277,336. Ten years ago the government payroll for civil servants was $852,731,321, and now—hold on to your hat, Mr. Speaker—it is $2,284,666,035. As if the number of permanent civil servants is not high enough, the total projected costs for 1973-74 for professional and outside services are $600 million. This is an increase of $60 million over last year.

So I return to my first and basic question. What are the limits to government growth in Ottawa? Obviously the Minister of Public Works will go on putting up buildings until the philosophy of government changes. We must rank as the most overgoverned nation on earth. The Economic Council of Canada has warned that the federal government is chiefly to blame for the fact that government at all levels occupies 36 per cent of the gross national product. Why do we need 5,000 civil servants in Statistics Canada, many of whom spend their days writing harassing letters to business people in my constituency demanding all sorts of answers to questions? Why do we need 9,000 people in National Health and Welfare? Why do we need the small army working in unemployment insurance offices? Somebody has to blow the whistle and yell, "Stop. The taxpayers have had enough." We are not going to finance this bureaucracy any more, especially when, with all this expertise, the government cannot solve the unemployment and inflation crises.

Let me assure you, Mr. Speaker, that western Canada feels what I have just expressed, and it is time the government listened to the west. The federal government is now preparing, in conjunction with the four western provinces, a conference on western economic opportunities. I hope this conference is a vehicle to move the country ahead positively and that the federal government will listen to our ideas on taxation, energy, agriculture, distribution of powers, transportation and the development of manufacturing. As a starting point for the conference, I commend to all its participants the excellent series of articles entitled "What Does the West Want?" now appearing in the Edmonton *Journal*. I want it to be a success, and so do other western MPs. Consider, then, how shocked I was to learn that Members of Parliament will have no part to play, even as observers, in this historic conference.

I want to warn the government that if it holds this conference behind closed doors and excluses western Members of Parliament, this will be the ultimate sham in ignoring that noble phrase of the Prime Minister (Mr. Trudeau), "participatory democracy." The conference will doubtless import many civil servants from Ottawa, some of whom know nothing of conditions in the modern west, to advise it. The very people who know a lot about the west, who have been elected and have the confidence of westerners—the MPs—will be excluded.

In the case of Alberta, which elected 19 Conservative MPs, which means that there is no MP in Alberta with a direct link to the government, this situation will be ludicrous. In effect, the government will be penalizing Albertans for voting Conservative by keeping out of the conference any federally-elected Alberta voice. This is hardly any way to start a western conference of rediscovery and reconciliation. The west wants to be heard. We want the federal bureaucracy stabilized and decentralized. The Department of Public Works spending program shows that, however beautiful the words, we have a long way to go in this fight.

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I wish to make a few remarks which I hope will be pro-Canada. I say to the hon. member for Edmonton-Strathcona (Mr. Roche) that there is no need to be anti-Ottawa or anti-public service to be pro-Canada.

Some hon. Members: Hear, hear!

Mr. Stanbury: I am surprised that a person who grew up in the nation's capital should have so little sensitivity, as

has been reflected tonight, for the greatness of this city which belongs to all Canadians, and the quality of our public servants who work here for all Canadians.

Some hon. Members: Hear, hear!

Mr. Stanbury: I ask the hon. member if he would leave the Parliament Hill area to the whims of commercial development, as he implied tonight. Would he make the Government of Canada the prisoner of commercial developers of office buildings in this city, as he implied?

Mr. Knowles (Winnipeg North Centre): I wish you would stop the developers now.

Mr. Stanbury: It is easy for the word "bureaucracy" to roll off the tongue of a politician, but it is hardly fair to those people who serve all Canadians in the public service of Canada.

Some hon. Members: Hear, hear!

Mr. Stanbury: If the hon. member were accurate, his remarks might be forgiven. But he is not. His assertion that the federal public service has increased by 10 per cent over the past year is simply not founded on fact. The latest figures released from Statistics Canada on this subject are for the third quarter of 1972. On September 30 of that year, total federal government employment, which includes employment in all departments, departmental corporations, agency corporations, proprietary corporations and other agencies and corporations, stood at 417,487 persons. This figure compares with 402,079 persons at the end of September, 1971, an increase of 3.8 per cent in that period, far below the 10 per cent figure suggested.

The hon. member also spoke of growth in the public service over what he referred to as a period of "several years". Over the period 1963 to 1971, the latter being the latest year for which data are available for the full year, the record shows that total federal government employment has increased at an average annual rate of just under 2 per cent. This rate of growth compares favourably with the average growth of total employment in the provincial public service of 5.9 per cent, and the 2.7 per cent rate of growth in the total number of employed persons in Canada over the same period.

In terms of manpower strength with regard to the measure of full-time, continuing employment used by the Treasury Board to control manpower authorization in the public service, the average annual increase over the period 1963-72 has been 1.72 per cent, considerably less than the 2.71 per cent average annual rate of increase in total employment in Canada.

The hon. member also called the increase in payroll costs—

Mr. Deputy Speaker: Order, please. I regret to interrupt the minister, but the time allotted to him has expired.

[Mr. Stanbury.]

• (2220)

[*Translation*]

THE CANADIAN ECONOMY—SUGGESTED INTRODUCTION OF GUARANTEED ANNUAL INCOME TO ALLEVIATE UNEMPLOYMENT

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to complete my question of February 21 which appears on page 1520 of *Hansard* and which reads:

> Since the minister recognized that it is impossible for him to find a satisfactory solution to the problems of unemployment and that, consequently, the rate of unemployment, already heartbreaking, particularly in the case of the young, will go up unavoidedly, could the minister tell us if he considered setting up a guaranteed annual income as a possible solution to that unfortunate situation?

Mr. Speaker, the necessity for a guaranteed and vital minimum income for all Canadians 18 years old and over is quite obvious. Present programs fail to stimulate the flow of products towards consumers.

In the past, capitalists asserted that salary increases were to be compensated by higher productivity.

According to a *Financial Post* article which was printed in *La Presse* of last March 6, productivity has increased by 28 per cent since 1966 but manpower in the manufacturing industries has expanded by only 6.5 per cent.

The financial weekly comments particularly upon the decision of the Minister of Finance (Mr. Turner) to revise completely before 1974 the fiscal provisions which allow for the fast write-off of capital expenditures, and all the other tax incentives designed to stimulate investments in the manufacturing sector.

Now, even if the accelerated write-off helps reduce costs, promotes modernization and benefits the economy, such a practice seldom creates new jobs directly and promptly.

If capital cost allowances must continue as part of financing enterprises, the revision ordered by the Minister of Finance could show that at best they serve to prevent losses in jobs.

For, taking into account the huge and universal impact of technological advance on the manufacturing industry, employment in manufacturing plants does not expand significantly in any industrialized countries. What does increase is competition on the markets for disposal of a rapidly rising production.

Therefore, the core of the matter is not so much a race between countries to increase employment as an endeavour aimed at maintaining employment at a stable level.

According to us members of the Social Credit Party, the logical solution, a solution which is gaining currency among a large proportion of our people, would be to grant a compensated discount and a guaranteed vital minimum income to each citizen of this country, which would allow production to reach the consumer, the consumer being the first aim of any production.

Moreover, the guaranteed minimum income would result in levelling regional disparities.

[*English*]

Mr. Deputy Speaker: I see two hon. members rising. I shall have to exercise the wisdom of Solomon here. Per-

haps the two hon. members can make the decision themselves.

Mr. Knowles (Winnipeg North Centre): Just like the Tory party, with its two financial critics.

Mr. Deputy Speaker: The hon. parliamentary secretary to the Minister of Finance (Mr. Comtois).

[*Translation*]

Mr. J. Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Minister of Finance (Mr. Turner) never said of course that he considered it was impossible for him to solve the unemployment problem. On the contrary, he has always claimed that creating jobs is and has always been his first preoccupation. Besides, statistics confirm that the picture has improved; for instance, more than 350,000 jobs have been created from February 1972 to February 1973. The last estimates of the Minister of Finance give eloquent evidence of his firm will to boost the Canadian economy. In the budget highlights we notice to this effect the following words:

> The rate of expansion this year should provide jobs fast enough to bring about a significant reduction in unemployment. A year from now 300,000 more canadians should be holding jobs.

Expansionist measures have been adopted to create this favourable economic environment. These measures include notably an increase in the basic exemption for all taxpayers from $1,500 to $1,600 as of January 1, 1973; an increase in the exemption for married couples from $2,850 to $4,000 as of January 1, 1973, a reduction of 5 per cent in the basic federal tax, the maximum reduction being $500 and the minimum reduction $100, also as of January 1, 1973.

Moreover, the federal government has set a series of additional employment programs, including the Local Initiatives Program, on the Job Training Program and Winter Capital Projects Fund Program, etc. which are particularly directed to those aspects of the unemployment problem which react very little to the traditional tax mechanisms.

As to the guaranteed income, in the Speech from the Throne, the government clearly enunciated its position on the matter of amending reconsideration of the social security system in Canada.

Mr. Speaker, I would like to quote a few excerpts of that speech, which, in my opinion, are quite relevant.

> In the area of social policy, the Government considers that Canada's total social security system—including both federal and provincial elements—must be reconsidered and reorganized, and made more sensitive to the needs of people in different parts of the country.
>
> The Government intends that this reorganization should be based on five principles which, taken together, comprise a statement of the Government's commitment in respect of social security.
>
> First, the social security system must assure to people who cannot work, the aged, the blind and disabled, a compassionate and equitable guaranteed annual income.
>
> Second, the social security system as it applies to people who can work must contain incentives to work and a greater emphasis on the need to get people who are on social aid back to work.
>
> Third, a fair and just relationship must be maintained between the incomes of people who are working at or near the minimum wage, the guaranteed incomes assured to people who cannot work, and the allowances paid to those who can work but are unemployed.
>
> Fourth, it must be recognized that Provinces may wish to have the structures of social security vary in accordance with the social needs, income standards and the cost of living in different communities.
>
> Finally, it must be accepted that the reconsideration of Canada's social security system must be conducted jointly by the Federal Government and the Provinces. It is not that—

[*English*]

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but the time allotted to him has expired. Accordingly, this House stands adjourned till tomorrow at ten o'clock a.m., pursuant to special order made earlier today.

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

HOUSE OF COMMONS

Friday, March 30, 1973

The House met at 10 a.m.

ROUTINE PROCEEDINGS

GRAIN

TABLING OF REPORT ON QUESTIONNAIRE ON TWO-PRICE WHEAT CONFIRMING ACREAGE BASIS OF PAYMENT DISTRIBUTION

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I wish to table, pursuant to Standing Order 41(2), copies in both official languages of a report on the questionnaire on two-price wheat confirming the acreage basis of distribution of payments to western Canadian producers.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

WHOLESALE PRICE INDEX INCREASE—INQUIRY AS TO NEW MEASURES TO CONTROL INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I suppose, in the circumstances, my question should be directed to the President of the Treasury Board who I assume is Acting Prime Minister. On Wednesday last I asked the Prime Minister whether, in view of the increase in the wholesale price index in Canada of almost 14 per cent between February, 1972, and February, 1973, the government proposes to take any new initiatives. The Prime Minister said he had nothing to announce that day. Now that the government has had a couple of days to reflect on this alarming statistic, may I ask the Acting Prime Minister whether the government intends to adopt any new measure to control inflation in Canada in light of that alarming statistic?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, as of today there is nothing further to add to what the Prime Minister said.

FOOD PRICES—PLACING OF CEILING ON MEAT BY PRESIDENT NIXON—POSSIBILITY OF SIMILAR ACTION BY GOVERNMENT

Hon. Robert L. Stanfield (Leader of the Opposition): In light of the initiative that President Nixon took yesterday in placing a ceiling on beef prices and in view of the fact that food prices generally in Canada have gone up substantially more between February, 1972, and February, 1973, than they have in the United States, is the government now going to consider any similar or related action with a view to holding down and controlling the retail and wholesale prices of food commodities that have been leading the price increases in Canada?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, I think the House will be aware that the experience in most countries has indicated the inadvisability of imposing price controls on food items. The situation in the United States with respect to meat and meat products, however, has reached the point where Mr. Nixon felt it was necessary to impose a ceiling on those food items alone. I think the hon. member is aware that Canada is a net importer of beef, and as a consequence beef prices in Canada tend to be regulated or controlled by world prices rather than by domestic considerations. The action of the United States in imposing a ceiling on beef and pork hopefully will have a useful controlling effect on beef, pork and lamb prices in Canada.

Mr. Stanfield: Mr. Speaker, I take it from what the Acting Prime Minister has said that despite this alarming statistic and despite the initiative taken by the President of the United States, the government of Canada does not intend to take any further action?

Mr. Drury: Mr. Speaker, I was not saying that at all. I was merely saying that as of today—

Mr. Stanfield: As of today.

Mr. Drury: —we will not be doing anything.

Mr. Stanfield: I see.

Mr. Baldwin: Can we count on action on Monday?

ACTION TO ASSURE SUFFICIENT PRODUCTION OF MEAT AND BUTTER TO MEET DEMAND IN LIGHT OF NET IMPORT POSITION

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a supplementary to the Minister of Agriculture. As Canada has become a net importer not only of beef but also of dairy products, can the minister give any assurance to the House that he will recommend policies to the government so that this country will produce enough meat and butter to satisfy the needs of its citizens?

• (1010)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think we are all concerned about what the hon. member has stated. This is one of the dangers of okaying boycotts or anything of that type. This is what happened in the past and producers were discouraged because they

did not receive the right amount for their products. They do not know whether they will be guaranteed the security they need for the costs involved in the production of these products. This is a matter of concern to the government. As far as I am concerned, we are going to ensure that this does not take place. I do not think what President Nixon did in the United States can be done in the same fashion in Canada because, as President of the United States he has a lot more authority than the Prime Minister of Canada has.

Some hon. Members: Oh, oh!

Mr. Whelan: The President of the United States almost has dictatorial authority. The Prime Minister of Canada does not have that authority.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair will recognize two or three supplementaries, but we will then try to complete the first round of questioning and return to this subject which obviously is of interest to many hon. members. For the moment, the Chair will recognize the hon. member for Saskatoon-Biggar, then the hon. member for Northumberland-Durham, and then try to complete the first round of questioning.

Mr. Gleave: Mr. Speaker, I appreciate the comments of the Minister of Agriculture. May I ask the minister if, in the interest of the Canadian people, both producers and consumers, he will in the very near future make a statement in the House or introduce legislation to meet this situation and make it unnecessary to bring in the kind of price controls that have been established in the United States?

Mr. Whelan: As I stated, Mr. Speaker, we are discussing these topics at the present time. If I feel that a statement in the House is warranted, or legislation, I will certainly recommend it. However, the study that I feel is necessary on this subject is not yet finished.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I wish to direct my question to the Acting Prime Minister. In view of the fact that this morning the Acting Prime Minister laid such great stress on the fact that Canada is a net importer of beef and, as a matter of fact, the Minister of Agriculture made that statement over the media last night, is he by any chance intimating that the United States is not a net importer of beef as well?

Mr. Speaker: Order, please. The hon. member should resume his seat. The hon. member's question is obviously out of order. Will the hon. member resume his seat. The hon. member for York South.

Mr. Lawrence: Mr. Speaker, I rise on a point of order. What I am really trying to do is give the Acting Prime Minister and the Minister of Agriculture the opportunity to correct an extremely erroneous impression they are leaving with the Canadian people, that conditions in Canada are really different from those in the United States. Our point is that there is no difference. The situation here is worse than it is in the United States.

[Mr. Whelan.]

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

FOREIGN INVESTMENT—OBTAINING OF INFORMATION FROM PRESIDENT OF MEXICO ON THAT COUNTRY'S CONTROL POLICIES

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Acting Prime Minister on another subject. Is the government taking advantage of the presence in Ottawa of the President of Mexico to discuss with and obtain information from him as to the policies which that government has introduced to control foreign investment in that country, with the effect, for example, that with regard to all mineral reserves there must be at least 75 per cent local capital and no foreign corporation can control any industry in that country?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, there are discussions now going on between representatives of the government of Mexico and Canadian ministers on a variety of topics particularly the kind mentioned by the hon. member. I may say I was pleased to note a report in the media that the President of Mexico said he rather admired the Canadian model in this respect.

Mr. Lewis: May I ask the Acting Prime Minister whether the President made clear the source of his information about the Canadian model, and was that source either the Prime Minister or the present Acting Prime Minister?

Mr. Drury: I would hesitate to question the President's sources.

* * *

[*Translation*]

AIRPORTS

MIRABEL—POSSIBILITY OF ESTABLISHMENT AS CENTRE FOR AIR TRANSPORT—DISCUSSION WITH QUEBEC MINISTER OF INTERGOVERNMENTAL AFFAIRS

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I have a question for the Minister of Transport.

Could he tell the House whether he intends to meet the Quebec Minister of Intergovernmental Affairs to discuss the report requested by the Quebec Planning and Developments Bureau on the feasibility of making Mirabel airport the air transport centre for Canada?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I shall wait until I am familiar with the report and then I shall decide if I should meet the Quebec minister.

Mr. Caouette (Charlevoix): Mr. Speaker, does the minister intend to make a statement when he has studied the report?

Mr. Marchand (Langelier): Mr. Speaker, I think I already make enough statements as it is! If there is cause to meet the Quebec minister, and if we are able to make a joint statement, then perhaps we will do so, but that is all hypothetical. I am not familiar with the contents of the

report, and I do not even know what the province intends to do with it.

Mr. André Fortin (Lotbinière): May I ask a supplementary, Mr. Speaker?

Mr. Speaker: The hon. member for Lotbinière.

Mr. Fortin: Mr. Speaker, could the minister say whether there has already been any discussion of this matter between the Quebec government and the federal government?

Mr. Marchand (Langelier): Mr. Speaker, there has certainly been some discussion about Mirabel airport.

* * *

[*English*]

AGRICULTURE

IMPORTATION OF UNITED STATES BEEF TREATED WITH DIETHYLSTILBESTROL

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I have a question for the Minister of Agriculture. It arises from the action taken by the President of the United States which has resulted in thousands of tons of beef, both live and dressed weight, being directed to Canada, and the fact that Canada has barred the use of stilbestrol as a livestock food additive because of the hazard to human health, though it is not barred in the United States. Is any action contemplated by the government to stop the importation of beef into Canada on those grounds?

Hon. E. F. Whelan (Minister of Agriculture): First of all, Mr. Speaker, I am not aware that thousands and thousands of tons of beef, live and dressed, are being directed to Canada at this time. I would point out that the President's freeze on beef prices was not at the producer level but at the retail level and the basis was the average price on the last 30 days. We are discussing with the food and drug directorate the course to be followed concerning the importation of beef having a heavy carry-over of DES. A decision has not yet been made on this aspect, but one will have to be made.

Mr. Norval Horner (Battleford-Kindersley): In view of the fact that the President of the United States saw fit to freeze retail prices, which will immediately freeze the price at the farm gate and have the effect of freezing the price at the farm gate in Canada—

Some hon. Members: Order!

Mr. Horner (Battleford-Kindersley): —and as the minister in recent weeks has made much of the fact that meat is the best possible buy, will he now, in the absence of the Prime Minister, protest most vigorously to the United States? If you are going to freeze the price of beef, freeze the price of farm machinery and tractors as well.

Mr. Whelan: I do not agree with the hon. member as to how President Nixon's program can work on the basis of freezing only one product in that country. I believe that if this is to be done successfully the freeze has to apply generally in order to control the cost of living in a country.

Mr. Horner (Battleford-Kindersley): You said beef was the best buy, so resign.

An hon. Member: What are you going to do about it?

Mr. Whelan: An hon. member asks what I propose to do about it. One of the members over there is a former cabinet minister in a provincial government and he knows darned well that the provinces have the authority to do these things. If they want to segregate the problem and just pick out parts of it, they can do it.

Some hon. Members: Hear, hear!

Mr. Whelan: Federally, we do not have the authority that the provincial legislatures and governments have.

An hon. Member: Pass the buck.

* * *

• (1020)

THE CANADIAN ECONOMY

PRICE INCREASES—SUGGESTED IMMEDIATE TALKS WITH LABOUR AND INDUSTRY ON IMPLEMENTATION OF CONTROLS

Hon. Paul Hellyer (Trinity): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the confidence expressed to the Prime Minister Wednesday by the British Chancellor of the Exchequer about the success of wage and price controls and Britain's determination to continue controls, and in light of all the indications that price increases are escalating in Canada, is the government going to hold immediate talks with Canadians, labour and industry, on whether controls should or should not be implemented in this country?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, that is somewhat similar to the question asked by the Leader of the Opposition and the answer is the same.

Mr. Hellyer: I have a supplementary question, Mr. Speaker, for the Minister of Industry, Trade and Commerce. In view of the fact that among the seven largest trading nations in the western world Canada experienced the greatest acceleration in prices last year, and at the same time four of our greatest competitors actually experienced reduced rates of inflation, would the minister tell the House whether the government is going to initiate any significant measures to reduce our inflation rate and to abate growing deterioration of our unfavourable price differential with that of our major competitors? If so, when will a statement be made?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the hon. member is talking about our export competitiveness; at least, that is what I inferred from his question. I can assure him that Canadian export industries are doing very well. In fact, on a competitive basis our exports are up nearly 25 per cent in the first two months of this year.

Mr. Hellyer: Mr. Speaker, without accepting the validity of the information just given to us by the minister, may I

direct a further supplementary question to the Acting Prime Minister. In view of the fact that this government is more backward and reactionary than the government of either Great Britain or the United States—

Some hon. Members: Oh, oh!

Mr. Hellyer: —will the government now take action to see—

Mr. Speaker: Order, please.

Mr. Hellyer: —that confidence in the Canadian economy is restored?

Mr. Speaker: Order, please I would suggest that perhaps the House should never sit at ten o'clock in the morning. The hon. member for Prince Edward-Hastings, I am sure, will have a very non-controversial type of question.

* * *

NATIONAL DEFENCE

REQUEST FOR STATEMENT ON POLICY REGARDING RESERVE FORCES

Hon. George Hees (Prince Edward-Hastings): Yes, Mr. Speaker, I am always non-controversial. I have a question for the Minister of National Defence. In view of the fact that under the government's present policy our reserve forces have been reduced from 23,000 to 15,000, or roughly one-third of their strength, within the last two years and at the present rate of attrition these forces will disappear within the next few years, would the minister take the first opportunity on motions to outline to the House and the country what the government's policy regarding the future of our reserve forces is to be?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker, I will give consideration to that request. However, I should like to say right now that our reserve forces do play a very important part in our whole concept of the work of the armed forces.

Mr. Hees: It is because of the great good the reserve forces provide for the defence of this country, both for the future and at present, that I ask this question and everybody knows that. I therefore ask the minister to give consideration to bringing these forces back to their original strength so they can operate much more effectively, as they wish to do but are being prevented from doing by the present government.

[*Later:*]

RESERVE FORCES—POSSIBILITY OF INCREASE IN SUMMER TRAINING AS A RESULT OF LARGER BUDGET

Mr. J. R. Ellis (Hastings): Mr. Speaker, I have a supplementary question to one asked previously of the Minister of National Defence in respect of the reserve forces. Will the announced unfreezing of the defence budget this year allow for increased summer training for reserves by reason of an increase in our reserve forces and also provision of summer employment for young people?

[Mr. Hellyer.]

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the answer to both questions is yes. The reserves and our summer student program will be enlarged this year.

* * *

EXTERNAL AFFAIRS

REPORTED ARREST OF GREEK LAWYERS ACTING IN DEFENCE OF STUDENTS—REQUEST FOR EXPRESSION OF CONCERN BY GOVERNMENT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Secretary of State for External Affairs but in his absence I will direct it to the Acting Prime Minister or perhaps, if there is one, to the Acting Secretary of State for External Affairs.

Mr. Hees: They are all acting over there and not acting very well.

Mr. Brewin: Has the government received information that six Greek lawyers involved in the defence of students on trial in Athens have themselves been arrested, are being detained in police headquarters there and are reported to have been subjected to torture? If so, will the minister take the appropriate steps to indicate the humanitarian concern of the Canadian government and the Canadian people?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, if the facts as alleged by the hon. member are correct, obviously we have a concern and will express it, but I am not aware of this report.

Mr. Brewin: Mr. Speaker, will the Acting Prime Minister undertake to bring this matter to the attention of the Secretary of State for External Affairs and make inquiries in this regard?

Mr. Drury: I will be glad to, Mr. Speaker.

* * *

INCOME TAX

ALLEGED FAILURE OF GOVERNMENT ANNUITIES BRANCH TO ISSUE T4 SLIPS BY FEBRUARY 28

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Minister of National Revenue. Will he assure the House that he will impose a penalty or fine on his colleague, the Minister of Manpower and Immigration, who is responsible for the government annuities branch, in view of the fact this branch failed to issue T4 slips by February 28 as required by rule or regulation of his department?

Hon. Robert Stanbury (Minister of National Revenue): I certainly will be glad to look into that, Mr. Speaker, but I hope there will not have to be a by-election as a result.

An hon. Member: You would lose it.

CANADIAN COASTGUARD

INVESTIGATION OF LACK OF PROMOTION OF BILINGUALISM AT COLLEGE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. Some days ago I posed questions to him in respect of bilingualism at the Canadian Coastguard College with particular reference to the promotion and nourishment of the French language. At the same time I asked him about a complaint that was submitted to the Commissioner of Official Languages Act and what had happened to his recommendation. Is the minister in a position today to answer those questions?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I know that the director of the college is studying the recommendation of Mr. Spicer, and as soon as he has come to a decision he will inform me on the matters raised by the hon. gentleman.

* * *

AGRICULTURE

REQUEST THAT WORD "IMPORTED" APPEAR ON LABELS OF CERTAIN FOOD PRODUCTS

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, my question is addressed to the Minister of Agriculture. In view of the fact that food products are often imported into this country prepackaged and sold under labels such as "Canada No. 1 Grade", and in view of the preference of many shoppers to buy Canadian goods, will the minister indicate whether consideration is being given to requiring a clear imprint of the word "imported" on such products?

Hon. E. F. Whelan (Minister of Agriculture): Yes, Mr. Speaker.

* * *

[*Translation*]

INDIAN AFFAIRS

NEW QUEBEC—ALLEGED POISONING OF CERTAIN INDIANS BY MERCURY CONTAMINATED FISH—REQUEST THAT MINISTER CONSULT WITH PROVINCIAL AUTHORITIES

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

Two days ago I asked him a question concerning the death, possibly by poisoning, of a New Quebec Indian. Can he tell us whether he got in touch with the Quebec authorities to find out the real cause of that death?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have checked since the hon. member put the question. Indeed an Eskimo died after eating whale meat which had frozen and thawed out several times; six other members of his family were sick. They were hospitalized and are now recovering quite well. A natural phenomenon, that of the meat eaten having become toxic, was the cause of death in the one instance.

* * *

INDUSTRY

STE THÉRÈSE—MEASURES TO AVOID LAY-OFFS AT GENERAL MOTORS—DISCUSSIONS WITH MANAGEMENT AND UNION REPRESENTATIVES

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to put a question to the Minister of Industry, Trade and Commerce.

Pursuant to the assurance given the House by his parliamentary secretary, would the minister tell us whether he is interested in the matter of dismissal of employees at the Ste Thérèse General Motors plant? If so, could he report his findings to the House?

[*English*]

• (1030)

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have been in contact with the company in respect of these lay-offs. We have been assured this is not as a result of any diversion of the Vega model to a United states plant, that in fact the reduction in production at Ste Thérèse has been as a result of market forces. However, I would like to make this point to the hon. member if I may. As a result of the recent devaluation of the U.S. dollar and Canadian parity and the commitment we have from the auto companies in Canada in respect of a price freeze on North American made vehicles, there should be a growing market for Canadian made and North American made models as against imports. That is an important consideration.

[*Translation*]

Mr. Wagner: I wish to ask a supplementary question, Mr. Speaker.

In view of this critical situation for the workers of Ste Thérèse, could the minister tell the House whether he intends to meet both the management and the union concerned?

[*English*]

Mr. Gillespie: Mr. Speaker, we have already been in contact with the management. I would be very pleased to meet with representatives of the union if they would like to meet with me. The point I want to emphasize is that because foreign imports will be going up in price, whether that imported car is imported by one of the big three or is imported from a foreign country unrelated to the big three, the competitive advantage of the Vega and other models of that kind should improve.

[*Translation*]

SHIPBUILDING

ANNOUNCEMENT OF EXTENSION OF TEMPORARY ASSISTANCE PROGRAM FOR TWO YEARS

Mr. Raynald Guay (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I have a very urgent question for the Minister of Industry, Trade and Commerce.

Since the STAP program of assistance to shipbuilding ends on March 31, that is tomorrow, does the minister intend to announce the extension of this program which has ensured the survival of shipbuilding?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am very pleased to be able to announce—

Some hon. Members: Oh, oh!

Mr. Gillespie: —that the shipbuilding temporary assistance program has been extended by the government for a further two years.

[*Translation*]

Mr. Guay (Lévis): I should like to ask a supplementary question, Mr. Speaker.

Will the assistance under the new program be at the same rate as under the former agreement, namely 14 and 17 per cent?

[*English*]

Mr. Gillespie: No, there have been some improvements. We think that the subsidy rate instead of being on a two-part basis will be on a single basis and on the same basis as that of the subsidy for Canadian-made, Canadian-registered and Canadian-owned vessels. So it will be a straight 17 per cent.

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby has a supplementary to the previous question. For the moment I will recognize the hon. member for Lambton-Kent and then the hon. member for Oshawa-Whitby.

* * *

AGRICULTURE

ACTION TO STOP IMPORTATION OF UNITED STATES BEEF TREATED WITH DIETHYLSTILBESTROL

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is directed to the Minister of Agriculture and is supplementary to a question asked previously. In view of the fact that as recently as yesterday between 800 and 1,000 cattle entered Sarnia from the United States, in view of the fact that diethylstilbestrol has widespread use in finishing cattle in the United States, and in view of the fact that DES was banned from use in finishing cattle in Canada because of potentially hazardous side effects to consumers, will the minister assure the House that immediate action will be taken to stop the importation of beef from the United States which is in direct violation of health regulations recommended by the health protection branch of the Department of National Health and Welfare.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if there are live cattle coming in and being finished here there is nothing wrong with that, but if cattle with DES are being brought in this would be contrary to our laws and regulations and should be stopped.

* * *

INDUSTRY

STE THÉRÈSE—MEASURES TO AVOID LAY-OFFS AT GENERAL MOTORS—MEANING OF MINISTER'S STATEMENT REGARDING PRODUCTION SHIFT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my supplementary is directed to the Minister of Industry, Trade and Commerce and refers to what he said about the production of cars in the plant at Ste Thérèse. In view of the fact that the only other plant that produces Vegas in North America is at Lordstown in the United States and is operating starting this coming Saturday on an overtime basis and there has been a cutback in employment at the Canadian plant at Ste Thérèse by about 60 per cent, could the minister explain to the House what he means when he says there has been no shift in production of that car from Canada to the United States?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the reduction that the hon. member is referring to in employment levels goes back over a very long period.

Mr. Hees: It must be a couple of weeks anyway.

Mr. Gillespie: No, many months. The assurance I have received from the company is simply that there has been no diversion from the Canadian plant to the Lordstown plant. I think it is also worth noting that the Astre, another vehicle, has been added to the Ste Thérèse plant to help provide increased employment at that plant.

* * *

HOUSING

ROCHDALE COLLEGE—REPORT ORDERED BY ONTARIO ATTORNEY GENERAL ON ACTIVITIES—ACTION BY MINISTER OF JUSTICE

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Justice and stems from the decision taken by the Attorney General of the province of Ontario in ordering a report on the activities of Rochdale College, Toronto. In view of the fact the government of Canada has several hundreds of thousands of dollars invested in Rochdale College plus a tax exemption certificate, what action does the minister intend taking?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the federal interest in Rochdale College comes more properly under the responsibility of the minister responsible for housing. Matters which have to do with the conduct of

persons of course properly fall within the jurisdiction of the provincial Attorney General.

* * *

AIR TRANSPORT

ALLEGED OFFERING BY AIRLINES OF ADDITIONAL PAYMENTS TO TRAVEL AGENTS TO GET CHARTER PASSENGERS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I wish to direct a question to the Minister of Transport. This is my first question in the House.

Some hon. Members: Hear, hear!

Mr. Darling: I also think there is another first today. This is the first time we have not been bombarded with motions under Standing Order 43, I believe.

I should like to direct a question to the Minister of Transport. In light of a report in today's *Globe and Mail*, the official organ of the government—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Darling: —is the minister aware that under the table bounties are being offered to travel agents by airlines in the scramble for passengers under Canada's new charter flight rules? Agents and tour operators say they have been promised between $5 and $35 in addition to their 10 per cent commission. I understand this is against the ABC regulations which prohibit airlines offering any incentive whatever.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, if the *Globe and Mail* is our official organ they do not send me a copy of it. I do not have a copy of today's paper so I have not read the story. I will read it and answer the hon. gentleman later.

* * *

TRANSPORT

FREIGHT RATE INCREASES ON CONTAINER TRAFFIC BETWEEN HALIFAX AND SAINT JOHN—REQUEST FOR FREEZE PENDING MEETING WITH ATLANTIC PREMIERS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wonder whether I might ask a question that is somewhat supplementary to the question asked yesterday by the hon. member for Saint John-Lancaster of the Minister of Transport. Would the minister urge on his colleagues in the government that they consider putting a freeze on the increase in shipping container rates to take effect tomorrow until such time as he has had an opportunity to meet with the Atlantic premiers on the broader question of rail transportation rates?

Hon. Jean Marchand (Minister of Transport): I regret, Mr. Speaker, that my answer must be the same as the one I gave yesterday.

PARLIAMENT BUILDINGS

REQUEST THAT AIDS BE CONSTRUCTED TO FACILITATE VISITS BY HANDICAPPED

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I have a question for the Minister of Public Works. In view of the fact that many hundreds of handicapped people visit the Parliament Buildings each year, would the minister now embark on a program to construct such aids as are necessary to facilitate these visitors?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I am not too sure that this falls under my jurisdiction but it does sound like a marvelous idea and I will give it my most sympathetic attention.

* * *

• (1040)

HAMILTON HARBOUR COMMISSIONERS ACT

INQUIRY AS TO RECOMMENDATION BY COMMISSIONERS THAT ACT BE AMENDED—REQUEST FOR DEBATE ON MEMBER'S RESOLUTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Transport. In light of the fact that a meeting was just held with port authorities and harbour commissioners, was any recommendation made by the Hamilton Harbour Commissioners to the effect that their act should be updated in order to indicate the responsibilities and jurisdiction of the city, the province and the federal government? Was any such recommendation made at that particular meeting?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will have to inquire before giving the hon. member the answer.

Mr. Alexander: In light of the fact that perhaps this did not occur, would the minister use his good offices in order to see to it that the resolution I have on the order paper can be brought forward for debate as soon as possible as this will cover the entire problem?

Mr. Speaker: The hon. member for Broadview.

Mr. Alexander: Mr. Speaker, I rise on a point of order. I do not expect the minister to give me an elaborate answer but I do think it would be courteous of him to give me either a yes or a no to my last question.

Mr. Marchand (Langelier): The hon. member speaks about something that is on the order paper. I think he should address his question to the House leader. I am not the House leader.

Oral Questions

ADMINISTRATION OF JUSTICE

REQUEST FOR REFERENCE OF SUBJECT MATTER OF YOUNG OFFENDERS ACT TO LAW REFORM COMMISSION FOR STUDY

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Solicitor General. In view of the fact the Solicitor General is not introducing or reintroducing the Young Offenders Act at this session, would he refer the subject matter to the Law Reform Commission so that they may study this problem in depth?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, in answer to a previous question I stated that we were discussing the Young Offenders Act with the provinces in order to improve the penal services for young offenders and that following these discussions we would introduce new legislation. But I will consider the hon. member's suggestion.

REQUEST FOR ACTION TO STOP EXPORTING OF PRE-1969 CANADIAN QUARTERS TO UNITED STATES BECAUSE OF SILVER CONTENT

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of Justice. In view of the fact that a highly organized immoral, if not illegal, racket has been established in western Canada to collect and export to the United States hundreds of thousands of pre-1969 Canadian quarters and in view of the fact that these quarters are melted down to produce $1.50 worth of silver for each dollar at face value, can the minister indicate whether he is aware of this situation and what steps are to be taken to stop this apparent illegal theft of Canadian silver?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I was not aware of the facts to which the hon. member refers, nor am I completely convinced by the suggestion he makes concerning the significance, but I will be glad to look into the matter.

* * *

HEALTH

MEASURES TO COPE WITH VENEREAL DISEASE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the hon. and benign Minister of National Health and Welfare. In one of his multitudinous statements outside the House he was reported as saying that venereal disease in Canada has reached epidemic proportions. I should like to ask him if his department has activated or has in preparation or contemplation any new measures to cope with this serious situation?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, we will have a meeting very soon about that with the provincial representatives at the deputy ministers' level; I intend to discuss this question with my provincial colleagues at the next ministers of health conference. We shall have certain propositions to discuss with them at that time.

[Mr. Marchand (Langelier).]

* * *

[*English*]

URBAN AFFAIRS

VANCOUVER—POSSIBILITY OF GOVERNMENT OFFERING FINANCIAL ASSISTANCE FOR RAPID TRANSIT SYSTEM

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for my colleague from Vancouver, the Minister of State for Urban Affairs. I should like to ask him if the government this weekend is going to offer the city of Vancouver and the province of British Columbia at the tri-level meeting the amount of money they had offered for a second crossing of the First Narrows, which the provincial government has now thrown away, for a rapid transit system in the city of Vancouver?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, we will be meeting with representatives of the province and of the greater Vancouver regional district at a rather historic tri-level meeting in which three federal ministers will be participating. Transportation issues of relevance to the lower mainland are on the agenda, but it would be quite improper for me to say now what the various positions will be at the meeting.

* * *

ENERGY

REQUEST FOR FURTHER CONSIDERATION OF BRITISH COLUMBIA PROPOSAL OF RAILWAY ROUTE TO TRANSPORT ALASKAN OIL AND ACCELERATION OF STUDIES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources but in his absence I will direct it to the Acting Prime Minister. In view of the evidence given by Professor North before the energy committee that there are no known oil reserves in the Mackenzie delta and that there is almost no likelihood that there will be oil in the Mackenzie delta, will the minister now give further attention to the proposal of British Columbia for a rail route to transport Alaskan oil, and will he also accelerate the studies that are supposedly being done on that subject?

Mr. Speaker: The second part of the hon. member's question is more of a representation or suggestion. Perhaps the hon. member would like to rephrase the question.

Mr. Leggatt: I will withdraw the second part of my question so the minister may have an opportunity to reply.

Mr. Speaker: For the moment the Chair will recognize the hon. member for Annapolis Valley.

COMMUNICATIONS

DETAILS OF PROPOSED FEDERAL-PROVINCIAL CONFERENCE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I should like to put a question to the Minister of Communications. Can he tell the House if the details and plans for the federal-provincial conference on communications have been finalized, how many provinces have accepted his invitation extended on March 16, and when and where it is to be held?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, the hon. member knows what our proposition was. The letter was sent to the ministers of communications of the various provinces last week or ten days ago. I have had some tentative reactions from a number of ministers, but I cannot give a final answer to the question of the hon. member. Regarding the last part of his question about the date of the proposed meeting, I might say that from the contacts we have with the provincial ministries it seems that the dates we proposed at the beginning of July would be acceptable to the majority of the provincial ministers.

Mr. Nowlan: Once the invitations and acceptances have been clarified, to try to define how meaningful the conference will be can the minister tell us if the discussions will involve the provincial role in programming in relation to cable rather than just the question of the hardware of cable, because of the silence on the subject in the green paper?

Mr. Pelletier (Hochelaga): I do not accept the premise that this is passed over in silence in the green paper. There is certainly an allusion to it and a very clear one. I think my general answer to the hon. member should be that of course we propose to the provincial ministers of communications to take up as the agenda the various questions and issues that are set forth in the green paper but also any question of interest to them that they would like to come up with.

* * *

POWER

JAMES BAY HYDROELECTRIC PROJECT—STATEMENT BY MINISTER OF FINANCE RESPECTING INTERVENTION—GOVERNMENT POLICY

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Acting Prime Minister. Can he tell the House whether the Minister of Finance was stating government policy when he said that the federal government could not intervene in the James Bay hydroelectric project unless the Navigable Waters Protection Act were being violated, and does this mean that the federal government has abdicated its constitutional responsibilities to the 7,000 Indian and Inuit people of James Bay whose rights are very clearly defined under the BNA Act and the Quebec Boundaries Extension Act of 1912?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, my knowledge of the statement reported by the hon. member is like hers, from a newspaper. I would be glad to talk to the Minister of Finance to find out what he actually did say. As the newspaper report indicated, he was merely stating a basis for intervention. I can assure the hon. member that he was not stating government policy if indeed he did say that we would not intervene in order to protect the rights of the Indians.

Mr. Speaker: Order, please. We are reaching the end of the question period. I was hoping that we could have a few rapid questions before calling orders of the day. The hon. member for Brandon-Souris may ask a supplementary question and after that I will recognize the hon. member for Surrey-White Rock.

• (1050)

SOUTH INDIAN LAKE—WATER REGULATION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, may I direct a supplementary question to the Minister of Transport. He indicated he had a reply on his desk with relation to water regulation at South Indian Lake and Lake Winnipeg. Is he now in a position to give that information to the House?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker. I am informed that nothing has been built there. Only a few miles of highway were built and a campsite was set up. There is nothing that can paralyse or disrupt transportation by water.

* * *

NEW HORIZONS PROGRAM

POSSIBILITY OF USING PART OF FUNDS TO ENABLE SENIOR CITIZENS TO TRAVEL

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question I should like to direct to the attention of the usually well informed Minister of National Health and Welfare. Can he say whether consideration is being given to the feasibility of employing some part of New Horizons funds to enable senior citizens to travel, perhaps to their home province or homeland? Is such a program still under consideration?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, that proposal is still under consideration but I must tell the hon. member that for the time being we are giving priority to using the funds for the transport of senior citizens within the area or city in which they reside. It would seem that the most urgent needs are in that area and that is where top priority goes.

However, the suggestion of the hon. member is still being considered and it has not been rejected.

[*English*]

Mr. Munro (Esquimalt-Saanich): On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. I was about to call orders of the day but the hon. member for Esquimalt-Saanich rises on a point of order.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, my point of order arises from your ruling yesterday. I am not questioning your ruling. I seek guidance. It seemed to me, although I do not have *Hansard* in front of me, that your ruling was given on the ground that there did not appear to be urgency to my question. Unfortunately, it is not possible to determine the urgency without the answer. The minister seemed to be on the point of answering the question. I would be very happy if you would permit him to do so today, or otherwise instruct me.

Mr. Speaker: Order, please. The hon. member cannot seek the instructions of the Chair in such a matter. The Chair has to make a decision whether a question appears urgent, and hon. members will appreciate it is very seldom that I intervene in this way. The Standing Order puts the situation clearly. The hon. member says he is seeking my direction. I suggest to him that he read the Standing Order on the point, which says that the matter shall be determined immediately by the Speaker, without appeal or discussion. If the hon. member thinks the matter is urgent, he can give notice to the Chair and have it considered at the time of adjournment, as it could have been considered last night at ten o'clock.

Mr. Bell: On a point of order, Mr. Speaker, some time ago the Minister of National Revenue instituted a program of do-it-yourself income tax returning, with Mr. Fred Davis being well paid to look after this. Can the minister confirm or deny that Mr. Davis did not in fact make out his own return but consulted an expert on income tax in Toronto the other day?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I think the time has come, at this point of disorder, to call orders of the day.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order. The hon. member is rising on a question of privilege.

Mr. Rondeau: After reading yesterday's debates I would ask you to check, Mr. Speaker, if what is reported at page 2725, in the left column, is what was actually said when, for instance, the Leader of the Official Opposition (Mr. Stanfield) is quoted as saying in reply to a question:

> I am a very innocent man.

A little further down the leader of the New Democratic Party (Mr. Lewis) is reported as saying:

> You have had your opportunity, and now you should sit still. Mr. Speaker, I am just as innocent as the hon. Leader of the Official Opposition (Mr. Stanfield).

I would point out to you, Mr. Speaker, that if this is what was actually said we are faced with a very serious problem in this House.

[Mr. Munro (Esquimalt-Saanich).]

[*English*]

Mr. Speaker: The Minister of Justice rises on a point of order.

Mr. Lang: Mr. Speaker, in view of the hour I wonder whether hon. members might be agreeable to calling it eleven o'clock, so that items of business for today might begin to be considered in total at two o'clock.

Some hon. Members: Agreed.

Mr. Speaker: Order, please. It being nearly eleven o'clock, this House stands adjourned and will resume this afternoon at two o'clock.

At 11 a.m. the House took recess, pursuant to special order.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

HOUSE OF COMMONS

PRINTING OF SPEECH BY PRESIDENT OF MEXICO IN SPANISH

Mr. Béchard: Mr. Speaker, on a point of order.

Today we had the pleasure of welcoming the President of Mexico, who delivered an excellent speech. I would like to ask that this speech be printed in its original language, i.e. the Spanish language, for the benefit of new Canadians of Spanish origin, and of our Canadian students who want to improve their knowledge of this beautiful language.

[*English*]

Mr. Deputy Speaker: Is the suggestion made by the hon. member for Bonaventure-Îles de la Madeleine (Mr. Béchard) acceptable?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce) moved that Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be read the second time and referred to the

Standing Committee of Finance, Trade and Economic Affairs.

He said: Mr. Speaker, the Canadian future is not something that just happens. Our future does not need to be merely a response to external factors, however important they may be. We, as Canadians, can determine in large measure what that future will be. That, Mr. Speaker, is the underlying philosophy of this bill.

Some hon. Members: Hear, hear!

Mr. Gillespie: In introducing the foreign investment review bill for second reading, I wish to remind hon. members that this bill is only one of the measures on foreign investment which this government proposed in the Speech from the Throne. This bill is a major extension of the review process to cover, not only takeovers, but the establishment of new foreign-controlled businesses in Canada.

My department is preparing a bill as well, which I hope to introduce very shortly, to provide for the registration of technology transfer agreements. There will also be legislation providing that a majority of the board of directors of federally incorporated companies be Canadian. Measures to increase Canadian participation in the ownership and control of resource projects are under consideration. Lastly, the Prime Minister (Mr. Trudeau) has proposed that the next meeting of first ministers examine the desirability of restricting sales of land to foreigners. It is against that kind of background that I want to speak this afternoon in introducing what I consider to be one of the most important bills, not only in this parliament, but in other parliaments from the point of view of the development of a distinctive Canada.

The government's purpose in introducing this bill is very simple. It is part of a package of measures designed to build that kind of Canada I have described, a vital and distinctive Canada. We already have in place a number of policies to support Canadian entrepreneurship and initiative. Others are under consideration. But we also need measures to ensure that initiatives inspired by non-Canadians are of significant benefit to Canada. Bill C-132 asks parliament for this power.

• (1410)

Foreign ownership policy is not an end in itself. Together with other measures, this bill will help to generate meaningful and satisfying employment for Canadians and promote economic growth. Moreover, there is a cultural and social as well an economic dimension to this measure. It can be seen I believe as a positive measure to help shape a positive Canadian identity. In this sense, the bill should be unique and distinctive, reflecting the reality of Canada. Canadian identity will be determined to the extent that Canadians acquire or increase their power to decide what their economy shall produce, what markets shall be served, what research and development will be undertaken. We want an economy which gives us power to innovate in response to a changing environment. If we lose this power, we turn control of our future over to those who retain it. In short, we have four objectives: one, to support the development of strong, Canadian-held business enterprises; two, to ensure that future foreign takeovers and the establishment of new foreign-held businesses will be of significant benefit to Canada; three, to help arrest and reverse the increasing degree of foreign control of our economy; four, to contribute to the development of a distinctive Canadian identity.

Surely, no one in this House will dispute the propriety of these objectives at a time when foreign control of our economy is so extensive. Nearly 60 per cent of manufacturing industry in Canada is foreign-controlled, and in some manufacturing industries such as petroleum and rubber products foreign control exceeds 90 per cent. Recent figures for Canadian mining and smelting indicate that 65 per cent is controlled from abroad. Approximately 80 per cent of that foreign control over Canadian manufacturing and natural resources rests in the United States.

In offering these figures, I want in no way to downgrade the important role which foreign capital has played in the economic development of Canada. Foreign direct investment has brought us new products, new technology, managerial skills, access to foreign markets and the economies of scale which this implies, as well as improved productivity. But the benefits of foreign capital are not an issue in bringing forward this bill. It is not my purpose to deprive Canada of the benefits of foreign capital. This is not a bill to close the door to international investment and turn inwards on ourselves. Quite the contrary. The issue the bill faces is that foreign investment, in addition to its benefits, can also involve costs. A branch plant economy tends to lack the capacity for dynamic innovation—lacks an inner dynamism and outward-looking attitude. It is not necessarily efficient for a $100 billion economy to be designed as a minor replica of a trillion dollar economy.

Our foreign controlled sector is subject to some limitations of research and development, restrictions on export and procurement policies which tie it to international sources of supply at the expense of the stimulation of domestic sources.

We are entering a period in which world demand for our resources will accelerate. We possess a rich and diversified resource base. Our social environment is stable. In the resource area we possess considerable management and technological skills of our own. Given these basic strengths, is it wise for us to let decisions taken abroad in response to foreign needs and priorities determine the rate of extraction of our natural resources and the industrial mix which is likely to result? Does the government not have a responsibility to ensure that development takes place in accordance with Canadian needs and objectives?

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Yes, it has, but what are you going to do about it?

Some hon. Members: Oh, oh!

Mr. Gillespie: If you listen you may learn something.

Mr. Baker: Not very much.

Mr. Gillespie: Foreign direct investment has helped fill a number of gaps in the Canadian economy, including those involving capital, technology, management and markets. It has frequently been the most efficient way of doing so. But I also believe that extensive foreign direct investment in Canada has reduced Canadian entre-

preneurial skills and skills and risk-taking by comparison with what might have been developed in the absence of the high degree of foreign initiative within our economy.

Some observers have noted that the foreign-controlled sector performs in more or less the same way as the domestic sector. This comparison tells only part of the story. More interesting to me is a comparison between the way in which the foreign-controlled sector performs today and the way it might perform if maximum benefit and minimum cost were achieved at every opportunity. The existence of restrictions on research and development, exports and procurement, suggests that scope for increasing benefits exists. Some of these restrictions may reflect basic comparative costs but others are arbitrary and should be removed.

The scope for increasing benefits will vary from industry to industry and from case to case. It is probably greatest in the resource-based industries where the advantage, the location of the resource, is in Canadian hands. Although it is unlikely we can change, in the short run, the location of many processing and fabricating facilities, we may in future be in a position to secure expansion in Canada rather than outside Canada. In the manufacturing sector our main advantage lies in a small but affluent market, a skilled labour force, a relative wage advantage over some countries and a stable political environment. While our position in this area is not overwhelmingly strong, there is undoubtedly scope for reducing the restrictions where foreign investors have not taken advantage of basic Canadian strengths. I am not expecting this bill to transform the situation in Canada overnight.

Mr. Andre: Or even in a year.

Mr. Gillespie: I see it as a reasonable and realistic step in line with our needs; a real step toward the achievement of the objectives I have described, and one entirely in line with action other industrialized countries have taken.

Mr. Yewchuk: A timid step.

Mr. Gillespie: We believe it to be a positive and realistic one, and we commend it to the House. Part of the problem in dealing with the position taken by the Official Opposition is that conflicting statements are made by their party spokesmen. I have heard some today which are quite different from their comments on other occasions. When pressed, they retreat behind a smokescreen of vague generalities, scattering the ground around them with pious statements of intent. They call for effective guidelines for foreign corporations. That is one of the phrases they use. But what guidelines, and for what corporations? They stress the need for more key sectors. But which key sectors are key? And how would they be defined? How much should they be protected? Liberal governments have protected key sectors in the past, but we now see that more comprehensive measures are called for.

• (1420)

Let me explain in more detail why this government decided that the delineation of further key sectors was inappropriate as a general policy response at this time to foreign investment—something that I think some Conservative spokesmen have advocated. Many key sectors in the so-called commanding heights of the economy have already been protected in a regulatory way. I refer to our legislation in the fields of financial institutions, banks, life insurance companies, trust and loan companies, broadcasting, newspapers and periodicals.

Think back to the period 1957-62, Mr. Speaker. Was any legislation of this kind put on the books by the Conservative government then?

Some hon. Members: None.

Mr. Lefebvre: They didn't have the guts.

Mr. Nielsen: We didn't have the problems, either.

Mr. Gillespie: The major areas of the economy where foreign direct investment is unregulated are the manufacturing and resource sectors. How are we to determine which industries in these sectors are most important? What criteria should we use to determine the key or critical sectors that should be protected? Should it be the high technology industries? But technology is not restricted to any one sector. Are we to say that a moribund electronics plant is more important to the country than an innovative, profitable and competitive clothing manufacturer?

Even if we were able to develop a set of criteria to identify key sectors, there are difficult questions regarding which businesses should be included. Let me take automobiles as an hypothetical example. This illustrates the problem of definition in a key sector, the manufacturing sector and the resource sector. Automobiles could include buses, trucks, snowmobiles, off-road vehicles, tires, car radios, air conditioners and so on. You can expand it into a whole series of related products. Where precisely does one draw the line?

Let us look at some of the other questions related to this key sector idea. What degree of protection should we give a key sector? There are a number of alternatives. We could allow no foreign investment. Assuming that you have been able to define and identify—two quite different things—a key sector, what do you do? Do you allow no foreign investment? In that case, we risk cutting ourselves off from the benefits of technological developments elsewhere. Is this sensible if we regard the sector as important in terms of the achievement of national goals? Do you wipe it out? I do not think so.

Second, should we restrict foreign control of assets in a particular sector? Take, for example, computers. Do you say that no more than 50 per cent of the computer industry should be foreign controlled? Think about that particular principle for a moment. This would mean allocating arbitrarily a certain maximum proportion of an industry to foreign control, a simply horrendous administrative and economic problem.

Third, look again at the question of the key sector. Do we say that in a key sector 51 per cent of the shares of every foreign company must be held by Canadians? However, when the 51 per cent is widely held, control could still lie with the foreigner. Scarce Canadian savings could be dissipated, then, in a number of non-controlling situations, thereby reducing the availability of capital for genuinely Canadian-controlled enterprises. Most of these same arguments with respect to the key sector question apply to

a policy requiring 51 per cent Canadian ownership in all foreign companies irrespective of the particular sector in which they operate.

In summary, the establishment of mandatory Canadian ownership, either across the board or in particular key sectors, as a general policy is arbitrary, protectionist, and potentially very costly economically. It could discourage needed foreign investment in some areas.

To say, however, that a general key sector policy is not appropriate for Canada at this time does not rule out the identification of further key sectors in future where the circumstances are appropriate. For example, it is conceivable that in some resource industries where Canadians have the technology and managerial capability, where foreign demand assures markets, and where capital is available in Canada or can be readily borrowed abroad, the establishment of another key sector may be feasible.

Some Conservative spokesmen seem to think that the only response to the foreign investment issue is to call for measures to encourage Canadians to invest in Canada.

Mr. Nielsen: That is one way.

Mr. Munro (Esquimalt-Saanich): And it is a good place to start.

Mr. Gillespie: This may be their position and I shall look forward to hearing from them. But I imagine that that is as far as they can go.

Mr. Baker: You are not even prepared to go that far.

Mr. Gillespie: I agree that Canadians should be encouraged to invest in Canadian business. And, indeed, successive Liberal governments have done more than simply talk about it.

Mr. Nielsen: Now then, you are not on the hustings now.

Mr. Gillespie: There are real measures of tax reform already at work to encourage Canadians to invest in Canada. Already there is a high rate of savings by Canadians. This Conservative party approach to foreign investment fails to recognize that foreign control is not occurring in response to a lack of Canadian capital or lack of savings, but rather is occurring as a result of industrial factors that must be dealt with by a foreign investment policy. That is the difference. The stimulation of greater Canadian savings is not, in itself, the answer to the problems of foreign investment. Failure to accept this is simply a non-recognition of the fact that we live beside and are plugged into, the largest generator of technical innovation and the most successful marketing economy in the world.

• (1430)

This is not a challenge which can be met simplistically without a foreign investment policy. Slogans about incentives are attractive but they do not deal with the fundamental question of Canadian public interest in takeovers or the effect of the potential power of multinational corporations proposing a new investment. After all, just think of this for a moment; a profitable Canadian company is a prime takeover target. Incentives to Canadian investors will do nothing to protect the Canadian interest when a takeover offer has been made. That is why a screening mechanism is important.

Some hon. Members: Hear, hear!

Mr. Gillespie: The NDP voted against the original takeover bill because it did not go far enough. This bill goes farther. At the same time, we are not opting for a public ownership solution to the extensive foreign control of the Canadian economy. We believe that a screening agency is a realistic answer to express the national interest.

We also do not feel that Canadian resources should be directed toward a substantial buy-back of the foreign controlled sector. We do not believe that the future development of Canada should be jeopardized by committing our scarce funds to an enormous repatriation of the past. For instance, the book value of foreign-controlled firms exceeds $30 billion. No estimate of current market value is available. Any kind of program launched in that direction would set us back, not move us forward.

Quite apart from the priorities, there are serious economic problems in buying back foreign-owned enterprises. Let me give you an example or two. Those which most manifest the costs of foreign control, those which are most truncated, least autonomous and self-directing, those where the costs are greatest, should be on top of the list for acquisition because there would be great opportunities for improving their performance. Let us look at the difficulties of buying them back. Who would buy them? Would it be government or private interests, and at what prices? How would the new owners cover the difficult transitional period from acquisition until they could operate as autonomous enterprises? How would the new management deal with the transitional period while building up their innovational capacity, finding Canadian sources of supply and building up their markets? What additional costs would be involved, and who can guarantee their success?

Mr. Hellyer: You have all the questions, but you don't have any of the answers.

Mr. Gillespie: At the bottom of the list for acquisition are those foreign-controlled businesses which do operate here largely as autonomous independent enterprises. For these companies, acquisition by Canadians would provide few increased benefits other than the change of ownership.

The bill I am introducing for second reading is not Conservative policy, nor is it a nationalization policy.

An hon. Member: It is not much of a policy at all.

Mr. Gillespie: It is neither the beginning nor the end of this government's determination to achieve greater Canadian ownership and control of our economy. Liberal policy on foreign investment is based on two pillars.

An hon. Member: One of salt.

Mr. Gillespie: First, positive support for the development of Canadian-owned and controlled corporations. This may not be of any interest to Tories, but we think this question is of vital importance to Canadians. I hope

they will have something to say about this issue which is responsible and intelligent rather than this kind of picayune, noisy interjection which indicates they are not serious about this issue. We are serious about it.

Some hon. Members: Hear, hear!

An hon. Member: You can't say anything without asking Trudeau first.

Mr. Gillespie: We have a sense of commitment in respect of foreign investment which you as yet do not have. Our sense of commitment is based on two policies. The first is positive support for the development of Canadian-owned and controlled corporations, and the second is positive measures to maximize the benefit to Canada of foreign investment; a balanced program operating as part of a coherent set of industrial policies for the development of Canada.

An hon. Member: Nobody is against that principle.

Mr. Gillespie: The heart of the Liberal thrust has been the introduction of positive measures to support Canadian industry, particularly those which demonstrate the capacity, the self-interest and the will to grow. The last parliament saw a number of measures implemented to stimulate Canadian ownership and control. A reduced corporation tax rate of 25 per cent on the first $50,000 of income is available only to Canadian-controlled corporations and must be repaid if the firm is transferred to non-Canadian control. The government has now proposed that this rate be reduced to 20 per cent.

When capital gains taxes similar to those in the U.S. were introduced a year ago, federal estate taxes were eliminated, thus reducing the pressure to sell controlling interest in private Canadian corporations which controlling interests would pass on death. The Canada Development Corporation was established to help provide, develop and maintain strong Canadian controlled businesses, and the benefits of this approach have already been manifested in the pharmaceutical area.

A number of other programs or measures do not discriminate, in intent or application, between Canadian-owned and controlled or foreign-controlled firms, but do in fact benefit mainly Canadian-controlled firms. These are, for example, the measures to keep savings in Canada; pension funds must retain 90 per cent of their assets in Canada to avoid paying a penalty special tax of 1 per cent per month on the proportion of their assets abroad in excess of that amount. On this point I think it is well worth noting that substantial Canadian ownership in a number of major firms has shifted back into Canadian hands over the last year and a half. In addition, the gross-up provision on Canadian dividends introduced in the last parliament has encouraged investment in Canadian equities.

An hon. Member: You have to be kidding.

Mr. Gillespie: I am not, Mr. Speaker, but hon. members may not know the facts.

[Mr. Gillespie.]

Some hon. Members: Hear, hear!

• (1440)

Mr. Gillespie: Canadian corporations are able now to deduct as expense the interest paid on funds borrowed to finance the purchase of shares of other corporations. This was introduced to offset similar United States measures which allegedly made it cheaper for a United States company to finance the takeover of a Canadian business.

There is another thing which I believe is worth mentioning; that is the area of government support and government departmental support. The Department of State for Science and Technology was formed in the last parliament. Its objectives include the promotion of an innovative Canadian economy. There are ongoing programs—I want to emphasize this—such as the general adjustment assistance program, the Industrial Development Bank, the program for advanced industrial technology and the IRDIA program all of which play an important role in promoting the vigour of Canadian-controlled enterprises.

In closing the catalogue, I should like to refer to new proposals which I am preparing in order to provide additional special assistance to small business. This is the sector which employs most of our work force. In my view it is the sector which generates most of our new products and services.

I have referred to the first pillar, the support of Canadian-owned, directed and controlled corporations. The second pillar is designed to protect the public interest by ensuring that foreign investment is of significant benefit to Canada. If one listened to the Tories, in the past at any rate, it would seem that we need not have concerned ourselves about questions other than the stimulation of business growth. If that is still their view I would like to pose two questions to them. Are takeovers not a potential threat? Were they concerned about Home Oil? Were they concerned about Dennison Mines? I am not sure, because the answer has not come through very clearly. The second question I would put to the Tories is this: is it of no importance to the Canadian public interest that the Canadian government have a say in the establishment of foreign-controlled business in Canada or the extension into unrelated fields of existing business.

An hon. Member: Who is going to argue against that?

Mr. Gillespie: Is that now your party's position? If it is, I welcome you to the fold. If it is, I hope it will be stated clearly. I hope they will come up with a commitment because we are looking for a commitment from them.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Drummond.

[*Translation*]

Mr. Boisvert: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Drummond on a point of order.

Mr. Boisvert: Mr. Speaker, I have taught school for nine years and in several grades, and it was never as bad as here. Even if I do not agree with all the Minister's state-

ments, I still would like everyone to listen to him with respect.

The Acting Speaker (Mr. Laniel): Order, please. I agree with the hon. member. His point of order is quite proper.

[*English*]

I think the hon. member for Drummond has raised a very good point. Even the Chair has had difficulty in hearing what the minister was saying. I would ask for the co-operation of hon. members. I am sure the subject is very interesting and that we would find it worthwhile to hear what is being said.

Mr. Gillespie: The positive policies that I have discussed earlier all do their part in promoting Canadian ownership and control, but they do not meet the challenge of other far more powerful centres of economic activity abroad. They do not compensate for the attractiveness to foreign capital of our stable political and social environment, of our skilled labour force and substantial resource base, and, in the case of the United States, for our proximity and cultural similarity. They do not compensate for the dynamic power of the multinational corporation whose activities here may be rational from an over-all international perspective but which may impose avoidable costs on Canada.

Finally, our other policies do not compensate for the imperatives of some foreign governments which have intervened to distort market forces in their own national interest threatening to leave Canada holding the short end of the stick. For example, we have the Japanese policies on trade and investment, the new Australian policies and the Mexican policies on foreign investment which we heard so eloquently described in this chamber today by the President of Mexico, and the screening undertaken by the French and British. Even the United States has its DISC, municipal bonds, uranium embargo and countervailing powers requiring no proof of injury.

Canada, no more than others, can rely passively on the operation of market forces alone to protect our interests. For this reason, past Liberal governments have moved to protect the public interest in relationship to foreign investment. I have already referred to the key sectors established in banking, insurance, life insurance, trust and loan companies, broadcasting, newspapers and periodicals. These are still in effect. Other industries and other enterprises already have substantial government participation, for example, the Canadian Broadcasting Commission, Air Canada, Panarctic, Atomic Energy of Canada Limited and the CNR.

In other sectors where there is already substantial foreign ownership there is one form or another of public regulation, for example, energy development. The combination of provincial regulations and regulation by the National Energy Board tend to ensure Canadian control over the foreign-controlled firms in this sector and performance in accordance with national objectives.

This bill and the positive policies I have described form part of a coherent set of policies designed to foster the achievement of national goals in general and Canadian economic development in particular. They tie in with the proposed reduction in corporate income taxes, the re-examination of competition policy and our effort to promote further trade liberalization. It must not be forgotten that the benefits from investment—both foreign and domestic—are enhanced in a competitive and dynamic economy.

• (1450)

Liberal government policy has been an evolving process. Much has already been done. But we recognize that further steps are needed. We are, therefore, moving forward to the more comprehensive foreign investment policy represented by this bill.

This bill is a major step forward. I regard it as the most important part to date of Canada's developing foreign investment policy. The approach chosen is that of screening. We expect in this way to achieve a foreign investment policy which will give us the benefits of foreign investment and at the same time minimize the costs. This requires flexibility. Screening based on performance criteria gives flexibility. The arbitrary alternative approaches of a discriminatory tax system, or of mandatory Canadian ownership rules either across the board or in numerous key sectors could involve a trade-off of employment, investment and growth, which we want to avoid.

We do not want a foreign investment policy which is a luxury commodity for which other economic benefits are traded off. Our objective is to introduce a policy that will have no adverse impact on employment or investment. On the contrary, we see this policy as a necessity if we are to achieve our long term goals for Canada. We see this as a way of building and creating jobs for Canadians in the years to come.

The government will allow those proposed foreign investments likely to result in significant benefits to Canada. It will be able to negotiate with a foreign investor to up the ante and get a better deal for Canada. But takeovers or the establishment of new foreign-controlled businesses that would not bring significant benefits to Canada will be blocked. The bill will be administered by a separate foreign investment review agency reporting directly to the minister.

In considering whether the foreign investor's proposed investment in a Canadian business brings significant benefits to Canada, five factors will be taken into account. The first factor is the effect of the proposed investment on the level and nature of economic activity in Canada, including employment. The second factor is the degree and significance of participation by Canadians in the business enterprise and in any industry or industries in Canada of which it forms a part. The third factor is the effect of the proposed investment on productivity, industrial efficiency, technological development, product innovation and product variety in Canada. The fourth factor is the effect of the proposed investment on competition within any industry or industries in Canada. The fifth factor is the compatibility of the investment with national industrial and economic policies, including those enunciated by the provinces.

The factors are general. They cover all sectors of the economy, resources and services, as well as manufacturing. They are performance oriented and are designed to increase the efficiency and competitiveness of our econo-

my, while recognizing that we live in a mutually interdependent world.

The government proposes that the review come into effect in two phases. First to be proclaimed will be the review of foreign takeovers of Canadian firms valued at more than $250,000 in terms of their gross assets or with revenues exceeding $3 million. This will be followed by the screening of the establishment of new businesses by foreigners not already doing business in Canada or the opening of a new business by an existing foreign controlled firm in an unrelated line of activity. Because of the possibility of major enterprises being phased into existence from small beginnings over an extended period of time, there would be no thresholds relating to the establishment of new businesses. Expansion of existing foreign-controlled firms through the creation of related businesses would not be screened. When the new business review is introduced, the thresholds applicable to takeovers will be removed except for the important case of an existing foreign-controlled business operating in Canada that proposes to acquire a related business. This step is required to avoid indirect circumvention through the takeover of an unrelated business below the threshold and subsequently expanding it.

The second phase of the bill is delayed to give the government an opportunity to gain some experience operating the review process with takeovers before this second feature comes into force. More important, it will not come into effect until the provinces have been consulted. This is a major feature of the policy. It is a national policy with provincial consultations as an important part. Even more provincial consultation is provided for in the operation of the bill because one of the criteria is a consideration of provincial industrial and economic policy objectives. Machinery will be needed to achieve this consultation.

In connection with the role of provincial priorities, I would like to assure the House that the bill will not have an adverse impact on regional development. Foreign investment needed for the growth and development of a province is likely to be of significant benefit and would be allowed. On the other hand, this bill is not an instrument of regional development policy. It does not contain the bias which is deliberately built into the policy of regional economic expansion. We will not be directing proposed investments from one part of Canada to another under this proposed act. But the economic realities of the region concerned will be emphasized in meeting national economic goals.

One of the criticisms of the bill with which I would like to deal is the fact that it does not cover the expansion of existing foreign-controlled firms unless, of course, they propose to establish unrelated new businesses. We have refrained from proposing this type of review for a number of reasons. Given the large number of firms that are already foreign controlled in Canada, a review of normal expansion would call for an enormous amount of intervention. I am not prepared to argue that the state should have such sweeping authority over normal private decision making. In addition I think there is a difference in kind between the normal growth which takes place as a business prospers and expands its activity on the one hand, and the opening of unrelated businesses on the other. It seems to me that there is almost an element of retroactivity in intervening in the process of normal growth.

• (1500)

We recognize that this bill will not directly roll back the present level of foreign control in Canadian industry, but as a long term policy objective it will help, along with the success of other policies designed to foster the development of strong Canadian controlled companies, to increase the proportion of Canadian industry controlled by Canadians.

The review process itself is not indifferent to Canadian ownership. The criterion of significant benefit indicates that this is an important concern. Canadian ownership and control is preferred unless the foreign investor is in a position to make a significant economic contribution which a Canadian cannot make. If we were indifferent, we would allow foreign investment as long as it did not involve any detriment to Canada. This is a very important distinction.

There is another point which underlies the importance we attach to Canadian ownership. In determining whether a proposed investment is of significant benefit to Canada, consideration will be given to the degree and significance of Canadian participation which includes the question of ownership. I do not think, on the ownership side, we can be more direct than that.

Mr. Speaker, let me summarize the main elements of the policy that underlie this bill. Canada continues to recognize that foreign investment has a role to play in Canadian development. Provided it contributes to the realization of Canadian objectives it is welcome. This bill asks parliament to give the government the means to achieve this purpose—to ensure that to the maximum possible extent foreign takeovers and the establishment of new foreign-controlled businesses are of significant benefit to Canada. If they are not, they are blocked.

The review process is a flexible instrument which recognizes that foreign direct investment is a complex of costs and benefits. The choice of this approach to foreign investment reflects the government's determination to avoid a trade-off between jobs, investment and growth on the one hand and greater ownership and control on the other. In recognizing the potential role of foreign investment in the Canadian economy, the government rejects isolationism and protectionism but it seeks a way to ensure that Canada achieves better balanced interdependence.

The foreign investment review bill will have four effects. First, it will provide one more public lever in promoting national economic development. Second, it will help us to obtain better performance from foreign investment in Canada on the basis of the criteria contained in the bill. Third, taken with the rest of the policies in this area, it will tend to arrest and reverse the unacceptable trend toward foreign control of enterprise in Canada. Finally, it will be seen as a useful step in supporting the development of a distinctive Canadian identity.

I mentioned during my remarks that Liberal governments have adopted a two pillar approach. While I have spent most of my time describing the policy which under-

lies the review process, this in no sense means that the government does not attach the highest importance to policies to develop Canadian entrepreneurship. That is the first pillar. Indeed, to the extent that Canadians—government, businessmen and labour—are able to develop the ingredients of industrial growth in Canada our need and dependence for foreign direct investment decreases. We shall, therefore, pursue with determination policies supporting the development of Canadian entrepreneurship and business efficiency.

Yet the level of foreign direct investment in Canada—the highest in any industrial country— is of concern to all Canadians. Hence our need for the second pillar to protect the public interest of contemporary Canadians and Canadians yet unborn. This bill contains a reasonable and realistic proposal to help us come to grips with this issue. I hope that members from all parties in this House will give this bill their support.

Some hon. Members: Hear, hear!

Hon. Paul Hellyer (Trinity): Today is an historic occasion for Canada, Mr. Speaker. It is the first time, and perhaps the only time, in Canadian history when a debate on Canadian economic nationalism has been opened in the House of Commons by the President of Mexico. We appreciate him sharing with us the experience of the people of that great country.

Compared to the contribution made by the President of Mexico this morning, however, the minister's contribution this afternoon has been very disappointing.

Some hon. Members: Hear, hear!

Mr. Hellyer: It was a disappointing speech—it was almost depressing. The split in the Liberal party on this subject, Mr. Speaker, is obviously much deeper and more serious than was thought. The minister also made it obvious that he, like some other ministers of his government, has not yet read the new Income Tax Act or he would not have made some of the assertions he is making now.

Also, Mr. Speaker, I thought the number of questions the minister asked of the Progressive Conservative party this afternoon gave a clear indication that his pessimism is so deeply rooted that he is practising for his role on this side of the House. Bill C-132, "an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons", appears to represent the government's total response after five years to the growing problem of foreign ownership and control of Canadian industry and resource development. I wish I could say that the mouse had brought forth a mountain or at least an elephant, but after labouring five years all the mouse has managed to bring forth is another mouse. It is a pitifully inadequate response and demonstrates an abject failure in this regard.

The fact that the problem now exists is accepted by most thoughtful people in Canada. Not everyone agrees of course, and there are some strong regional differences of opinion. It is understandable if those areas of Canada where high chronic unemployment exists place a higher priority on the creation of new job opportunities than the nationality of the capital which makes them possible. Consequently, it is a matter of regret to the Conservative party that a bill of this importance to various regions of Canada should be introduced without prior consultation with the provinces. Certainly the provincial governments must now be consulted, and must have an input to the determination of guidelines by which significant benefit is determined. Nothing less will satisfy the diversity of approach which is endemic to Canada.

• (1510)

But on an over-all Canadian basis, some acceptable alternative to the present trend must be found. When we reach the point, as we did in 1968, where 46.9 per cent of our metal fabricating industry, 71.8 per cent of our machinery industry, 86.6 per cent of our transportation equipment industry, 81.5 per cent of our chemical and chemical products industry, and 99.5 per cent of our petroleum and coal products industries, as measured by assets, are owned outside Canada, we are in trouble. Since then the level of foreign ownership has continued to increase. Obviously, something must be done. This leads to agreement with the purpose of Bill C-132 as stated in Clause 2(1) which reads:

> This Act is enacted by the Parliament of Canada in recognition by Parliament that the extent to which control of Canadian industry, trade and commerce has become acquired by persons other than Canadians and the effect thereof on the ability of Canadians to maintain effective control over their economic environment is a matter of national concern,—

It is easier to agree with the purpose of the bill, as just stated, than it is on the efficacy of its provisions to meet the need. Basically, Bill C-132 is totally negative in its approach. The minister tried to persuade us this afternoon that the opposite is the case, but he was not convincing. It is another "thou shalt not" added to the tens of thousands which already exist. It states that takeovers will only be permitted and new investment allowed when it can be demonstrated that significant benefit will result. But the determination of significant benefit will be largely subjective. It will depend to a considerable extent on the attitude and approach of the commissioner, the minister and the governor in council. The latter will reflect the opinion of the key members of cabinet or "in group" in control at the time. The extent of the inevitable subjectivity concerns me. I know people who could, and probably would, find significant benefit in any proposal, while others of my acquaintance would find it difficult, if not impossible, to find significant benefit in any proposal from foreigners. Any law which is so dependent in its application on the personality and attitude of the people who administer it as Bill C-132 is almost certain to be bad law.

While Bill C-132, unlike its predecessor, extends the screening process to include new investment as well as takeovers, it pays no heed to the expansion of existing foreign-owned companies in Canada except in respect of entry into new and unrelated business. As the Gray report cited 1969 Statistics showing that of the three ways in which foreign ownership in Canada had increased the most imporant was the expansion of existing foreign-controlled enterprises, one must conclude that the intent of

the bill is largely cosmetic. Nevertheless, we are prepared to refer it to the committee, where we think it should be subject to the most minute examination.

Why have we reached the stage where a bill such as this is considered expedient? It is the recognition that policies that have been pursued in the past, which may have been appropriate then, are no longer appropriate to Canadian needs, and that unless there is a massive change in policy soon Canada will recede into an industrial and technological backwater. A brief review brings us to the crossroad.

Dependence upon external sources of capital for financing in periods of heavy investment activity has been characteristic of Canadian development. During the exceptional growth that occurred before World War I, non-resident investment was very high and the main source of that investment was London. However, during the first part of the inter-war period, the United States became the principal source of external capital, and by 1926 the portion of Canada's international debt owned in that country exceeded that owned in Britain. With some interruption during the 1930's, United States investment in Canada continued to increase, particularly after 1947, when the period of intense activity in the petroleum industry got under way.

This transition from Britain to the United States as the major investing country also involved a shift in the major type of investment. Whereas British investment has been primarily portfolio investment in railway and utilities, American investment has been primarily direct investment in other Canadian industries. More than half of the United States investment in Canada at the end of 1967 was accumulated since 1957. At $28,030 million, United States investments in 1967 continued to represent more than three quarters of all non-resident investments in Canada. The main rise in that period occurred in direct investments in companies controlled in the United States, which almost doubled. In the same period, portfolio investments in Canada owned in the United States more than doubled, due mainly to large sales of new issues of securities in that country.

Since 1968, an increasing proportion of the capital requirements of United States affiliates in Canada is being raised on the domestic Canadian market rather than being drawn from the parent concern. This is partly due to the effect of the United States foreign direct investment program which was made mandatory in 1968. Even if this tendency for foreign-owned firms to raise money on the Canadian market rather than from the parent concern continues or even increases in the future, there will not necessarily be corresponding changes in the amount of total foreign investment, for the definition of foreign investment hinges on the nationality of the owner of the capital and not on the nationality of the capital itself.

Direct foreign investment can be fairly viewed as one of the most crucial and most dynamic elements in the post-war evolution of Canadian industry. Its effects have been greatest in the petroleum, natural gas and mining industries, which have absorbed over half the total. But very substantial amounts have gone into major branches of the manufacturing sector, such as pulp and paper, automobiles, chemicals and electrical apparatus. This large-scale financing, though highly significant, does not tell the whole story. There have been real benefits from the package of technological skills and markets that came with the investment.

While there has been an important positive aspect to direct foreign investment, there has been a negative side as well. Foreign controlled firms undertake little research and development in Canada. A 1970 Industry, Trade and Commerce report on the 1964-67 operations of 326 foreign controlled firms with assets exceeding $5 million each found that many were spending little or nothing on scientific research and development. Their sales had risen a healthy 35 per cent, from about $15.3 billion to $20.7 billion. But research spending rose from $88 million to only $106 million, an increase of just 18 per cent. In the last year of the survey, the average was $325,000 each, a trivial sum for firms of this size. The survey concluded that nowhere in today's industrial world, where science and technology have superseded financial resources as the principal source of corporate power, is the significance of foreign ownership more apparent than in Canada. The report said that the government faces formidable difficulties in devising a program to counteract the bad effects of foreign investment in Canada.

In addition to the sparse expenditures on research and development and the effect of this on career opportunities in Canada, there are other negative aspects of too much foreign control of Canadian industry. Several instances of refusal to sell to countries when sales to those countries would be contrary to U.S. foreign policy have been documented. I will not repeat them here. Far more serious, at this point in time when restrictions on sales to socialist countries are abating, is the tendency of parent organizations to restrict Canadian branch plants and affiliates from aggressively expanding their export sales. While this is not true in all cases, it applies all too frequently and entails a considerable and serious restriction of freedom in so far as Canadian manufacturing industry is concerned. The latest trade statistics released by Statistics Canada bear testimony to the problem.

If Canada had not reached the stage where we are capable of generating the savings necessary for capital expenditures, our options would be more limited. I think that is an essential difference from our position and that of Mexico, as outlined by the president this morning. Fortunately, we have progressed to the point where we can provide, in the aggregate, our own capital requirements. In their first of a series of studies for the Toronto Stock Exchange examining Canada's capital markets, Professors David Shaw and T. Ross Archibald provide statistical documentation of Canada's sources of capital funds since the end of the second world war.

• (1520)

In 1950, domestic savings accounted for 92 per cent of total capital expenditures while foreign sources financed only about 8 per cent. At that time gross domestic savings equalled 20 per cent of GNP. By 1960, domestic sources declined and provided only 83 per cent of capital formation. Similarly, the rate of domestic savings in 1960 had fallen to 16 per cent of GNP. By 1970, Canadian domestic savings amounted to 23 per cent of GNP and exceeded domestic capital formation so that Canada became a net

exporter of $1.1 billion. Consequently, Shaw and Archibald were able to conclude, and I quote:

> Canada's historical international position as an importer of funds (had) changed and this country (could now) generate sufficient savings to finance the current level of capital expenditure.

While this is good news, it is necessary to add the caution that a significant proportion of these Canadian savings accrues to foreign controlled companies in Canada. Their retained earnings represent a substantial proportion of the net savings of the corporate sector. One must concur in the conclusion of the Gray report where it states:

> Canada's capacity to finance its own future growth does assume a large savings role by foreign controlled companies in Canada.

While it is encouraging to believe that Canada now has the potential to paddle its own canoe to a much greater extent, it is disappointing to conclude that Bill C-132 will not do the job. Greater economic independence is possible and the reasons for seeking it have never been stronger, but something more than Bill C-132 is required.

Some hon. Members: Hear, hear!

Mr. Hellyer: While it may be necessary to provide breathing time, its very appearance before us is an indictment of the government's other policies. If the government had been vigorously pursuing positive policies to encourage Canadian entrepreneurship, to encourage Canadian savings, to encourage Canadians to innovate and invest in the development of Canadian industry and resources, this bill would have been redundant. For years the government has known that it is more advantageous for Americans to explore for oil in Canada than it is for Canadians, but it has not acted to achieve equality.

Some hon. Members: Hear, hear!

Mr. Hellyer: The government is well aware that hundreds of family businesses have been sold because under Canadian law it is often impossible for the business to survive the death of a principal shareholder, yet fails to take action to offset the negative effects of its laws.

In his speech today, the minister stated that incentives to Canadian investors will not prevent a takeover. This just is not true. I can document cases where lack of incentive to Canadians and Canadian law have been the very reasons that Canadians did sell out to Americans against their will.

Some hon. Members: Hear, hear!

Mr. Hellyer: The fateful tight money policy of 1969-70 put hundreds of small Canadian businesses into bankruptcy, unnecessarily. Hundreds more were sold to foreigners when they were unable to get the credit necessary for continuation and expansion. The new Income Tax Act provides less favourable treatment to shareholders of Canadian corporations in many cases. As a matter of fact, the government has done just about everything imaginable through high unemployment, high inflation, high taxes, excessive bureaucratic regulation, etc., to drive Canadian entrepreneurs and risk-takers from their own promised land.

Some hon. Members: Hear, hear!

Mr. Hellyer: The last two Liberal governments have done more to sell Canada down the river than all previous Canadian governments combined. To right the situation will require a new government with a new and positive policy.

Some hon. Members: Hear, hear!

Mr. Hellyer: The core problem facing Canada's economy today is the serious lack of Canadian-owned companies. If Canada had its proper share of Canadian-owned companies, the foreign ownership problem would then be seen in its right perspective. Until Canada adopts an effective and creative industrial policy to encourage the establishment and growth of Canadian-owned companies, adoption of a foreign ownership policy will amount only to deluding the public into thinking that action has been taken. A sensible foreign ownership policy is completely impossible without an over all industrial policy to delineate the industrial goals to be achieved.

I should like, in the remaining time available, Mr. Speaker, to put forward a five point plan of positive Canadianism. It will propose to substitute action and innovation for rhetoric. It will be a plan designed to encourage Canadians to participate fully and creatively in the development of their own country and in the design and production of ideas and products useful to others as well.

The first essential point is the vigorous pursuit of a full employment policy for Canada. To accomplish this, it will be necessary to implement the approach of the Progressive Conservative party as outlined in the budget debate.

Some hon. Members: Hear, hear!

Mr. Hellyer: A more expansionary budget, along with a temporary wage and price freeze of 60 to 90 days' duration followed, after discussion with the provinces, labour and industry, by guidelines designed to control inflation while permitting a rapid rate of expansion of the Canadian economy until it reaches its full potential is necessary.

Some hon. Members: Hear, hear!

Mr. Hellyer: The objective will be high productivity and maximum growth as long as it is necessary to produce the real wealth to solve our real problems.

As unemployment is reduced, output will rise. It has been estimated that the loss, in real terms, due to excessive unemployment is $5 billion a year. This extra increment of production, over and above what would otherwise be the case, can be used for the elimination of poverty, elimination of slums, the construction of urban transportation systems, the provision of adequate housing, the control of pollution and the development of Canadian industries and resources by Canadians.

Some hon. Members: Hear, hear!

Mr. Hellyer: Even $1 billion to $2 billion a year extra investment in industrial and resource development from this source would help immeasurably.

Step number two would be the introduction of tax and other laws designed to encourage Canadian savings and

Canadian entrepreneurship. Imaginative proposals such as allowing individuals to deduct from taxable income investment in new Canadian equities up to a maximum of $1,000 each per year should be considered. Dividend tax credits comparable to those in the previous Income Tax Act might be restored. More important than the precise details is the determination to make it attractive and worthwhile for Canadians to invest in their own future.

Some hon. Members: Hear, hear!

Mr. Hellyer: The small business investment plan put forward by my leader during the election campaign should be vigorously pursued.

Some hon. Members: Hear, hear!

Mr. Hellyer: Capital gains tax should only be applied to real capital gains and the present confiscatory practice of taxing inflation should be abandoned.

Some hon. Members: Hear, hear!

Mr. Hellyer: Family farms should be passed from one generation to the next, before the death of the farmer, without deeming the capital gain to be realized. Arrangements should be worked out with the provinces whereby other small and medium-size family businesses could be continued without the necessity of crisis liquidation for purposes of death duties in respect of the shares of a principal shareholder. Other changes in the tax laws would be effected to give Canadians an equal or better opportunity to participate.

• (1530)

Colleagues of mine who will be speaking later in the debate will give examples to demonstrate that in many cases there is not equal opportunity, and that in other cases Canadian businesses have been sold to foreigners as a direct result of the way in which Canadian tax laws apply. The objective of the changes in tax regulations and death duties would be to encourage savings, to encourage investment, to encourage risk-taking and to give Canadians a competitive equality, at least, in the development of their own industries and resources.

Some hon. Members: Hear, hear!

Mr. Hellyer: Step number three would be a gradual but massive increase in the extent of research and development undertaken in Canada. Canadians must come to realize that the development of modern technology requires massive public investment and cannot be left entirely to the vagaries of the marketplace. In 1967, only 18 per cent of research and development spending by Canadian firms was financed out of public funds; in the United States 53 per cent of research and development spending by private firms was government-financed, while comparable figures for the United Kingdom and France were 35 per cent and 42 per cent respectively.

The United States government financed the development of the first U.S. computer, the Univac model by Remington-Rand, as a naval fire-control device, and the first IBM models for the DEW line. The formation of International Computers Limited in the United Kingdom

was backed by the U.K. government to the extent of an $8.4 million equity position and $32.3 million in research and development funds in 1968.

Canada lost out in this race even though we were at one time on the cutting edge of technology. In the 1950s and early 1960s, British-owned Ferranti-Packard Limited of Toronto developed a series of advanced computers beginning with the Datar, a naval operations control system, and climaxing in the FP 6000 which was a resounding technological and commercial success. But after making four of the units, Ferranti-Packard ran out of funds and, since British capital exports to dollar nations are subject to foreign exchange controls, was unable to draw more financing from the parent firm.

Consequently, the computer designs and technology were sold to another British firm which has since become International Computers Limited. The FP 6000 evolved into the ICL series, of which 1,500 had been sold by the beginning of 1970. With the Canadian development start, ICL gained 43 per cent of the British market for computers, compared to only 30 per cent for IBM, making Britain the only market in the west where IBM is not the major seller of computers. By 1970, ICL had sold 47 installations in the Soviet Union and other eastern bloc nations, for $35 million, making it the largest seller of computers to eastern Europe.

Professor Arthur Porter, head of the team which designed the Datar computer, told the Special Senate Committee on Science Policy:

> Canada made a tremendous breakthrough in information technology . . . I believe Canada was the first nation to set up three individual data-handling systems and to tie them together over radio links

He said Britain's ICL computer series could be said to have been "conceived and designed in Canada".

> We were ahead. We were not only ahead in interactive computer systems, but we were ahead in modular solid state computer technology, which is the basis of the modern computer.

Canada can compete in research and development, but must have the ownership, control and follow-through to capitalize on early advantages. In this, as in so many other cases, that important early lead was lost.

There are, fortunately, some happier examples. One is Northern Electric, a major Canadian producer of telephone equipment. This corporation provides us with an illustration of how a Canadian subsidiary can succeed after its ties with its U.S. parent have been severed. Ironically, the cutting of the umbilical cord was due to American rather than Canadian policy. The abandoned baby survived and thrived. From its inception, in 1895, to 1956 the corporation did very little of its own research and development. Instead, it manufactured products designed in the United States by its parent corporation, Western Electric. In 1956, however, U.S. anti-trust legislation forced the parent to divest itself of its control over the Canadian subsidiary.

Since that time, the Canadian corporation has transformed itself from an importer and purchaser of technology to a producer and exporter of technology. Recent statistics bear this out. In 1960, 90 per cent of its designs came from foreign sources, but by 1970 only 19 per cent of its designs came from foreign sources. In the same period,

its own designs rose from 5 per cent to 80 per cent, with about 20 per cent being hybrids of domestic and foreign work. Professional staff rose from three in 1967 to 727 in 1969. Total R and D staff increased from 153 in 1960 to more than 2,000 in 1970. The research and development budget went from $2.6 million in 1960 to $37.7 million in 1970. This represented an increase in research and development, as a percentage of sales, from 1.5 per cent to 8.2 per cent.

Since its Canadianization, Northern Electric has also helped to strengthen Canada's balance of trade by expanding exports and displacing imports. Export sales rose from 2.5 per cent of its total sales in 1963 to 17.9 per cent in 1970. Between 1958 and 1968, the percentage of sophisticated components from Canadian sources rose from 62 per cent to 85 per cent.

Some hon. Members: Hear, hear!

Mr. Hellyer: As another consequential benefit, it is to be noted that though Northern Electric accounts for only 13 per cent of the output of electrical machinery in Canada, it is responsible for almost 50 per cent of the annual research and development by that industry. The important lesson learned by Northern Electric has been that because of licensing fees for importing designs and the costs of staff to use these imported designs, it is just as expensive to import technology as it is to develop one's own.

A second success example is the Canadian-owned Electrohome Corporation of Kitchener, Ontario. This corporation has had an extensive research and development program since as long ago as 1965 when its research and development budget amounted to 3.3 per cent of its sales, or $940,000. As a result of this extensive program, sales rose from $35 million in 1968 to $69.7 million in 1971. Electrohome files more patents than any other Canadian firm, and exports 25 per cent of its production.

Some hon. Members: Hear, hear!

Mr. Hellyer: Surely, then, these two success examples of Canadian corporations demonstrate what a manufacturer can achieve through greater research and development and aggressive management and, conversely, what a manufacturer can lose through lack of its own research and development because of non-resident control.

Canadians can do it if given the chance. These two untypical examples should become the norm. Canadian-owned corporations should be given preference in research and development funds, but incentive should also be provided to foreign-owned corporations willing to expand their research and development facilities in Canada and to develop products for export markets. The aim of Canadian research and development policy should be the employment of Canadian scientists, engineers and product planners in the development of a capability which, proportionately to our resources, is second to none on earth.

Step number four is the development of more flexibility in our financial institutions in order to cope with our policy objectives. Although, as I indicated earlier, Canada has sufficient funds to finance current investment requirements, the allocative functions of Canadian capital markets leave much to be desired. This is true both nationally and regionally. We have not yet mastered the technique of matching the entrepreneur and the capital he requires at the proper time.

There is a desperate need in Canada for the creation of new institutions or the expansion of existing ones to supply more venture capital. We must expand, dramatically, our capability to assemble the financing and all the other elements required to establish a new domestic enterprise or to acquire control of an existing foreign-owned enterprise with substantial assets and activities in Canada.

Canadians often feel, with justification, that it is easier for a foreign-owned corporation to get a loan from a Canadian bank than for a Canadian entrepreneur.

Some hon. Members: Hear, hear!

Mr. Hellyer: Indeed, our banking system has performed a considerable disservice to Canada by financing the take-over of Canadian industries by foreigners. They must change their policies and make Canadian credit readily available to Canadians, even if that involves some small risk. The chartered banks, acting collectively, should be encouraged to form one or more subsidiaries specializing in merchant banking and venture capital. Insurance companies and pension funds should be encouraged to mobilize funds for similar purposes and to form syndicates to permit sufficient diversity to spread the risks associated with venture capital investment. The role of the Industrial Development Bank should also be expanded to increase substantially its capability and, hopefully, its daring. It could play a much more dynamic role, especially in the alleviation of regional disparity.

• (1540)

If anyone doubts the necessity for major change they need only look at the present situation. An oil refinery is to be built in Newfoundland. It will be equipped with British machinery, financed by British capital and, of course, owned in the United States. The Canadian government and Canadian institutions either could not or would not help. Canada can support development for the people of Tanzania, Algeria and Chile, but not for the people of Newfoundland. While the former may be desirable, surely we should also be able to support at the same time our own growth and development.

Some hon. Members: Hear, hear!

Mr. Hellyer: It is quite obvious that Canadian financial institutions, if the chartered banks are included, have the financial ability to mobilize the vast sums of venture capital required. A very significant reorganization will be required, however, together with a change in outlook in tune with the times and cognizant of Canada's real industrial needs. Canada desperately needs a renaissance of entrepreneurship in its business community. Without the vision and initiative that only gifted entrepreneurs can bring to a nation's economy, Canada will remain locked into the secondary roles offered by the head offices of large, multinational enterprises. However, if the nation's imagination responds to the entrepreneurial instinct

latent in Canada, we could develop into an innovative country imbibed with a sense of initiative and achievement.

Step number five, Mr. Speaker, is to combine all of these ingredients into a massive effort to increase Canadian exports. We must remember that success goes to the commercially adept and not just to the technically brilliant. Our managerial skills must be put to work and developed. The objective would be not just a balance of transactions on current account but a substantial surplus. The surplus would not be allowed to accumulate, however, and add to our already swollen reserves of United States' dollars. An equivalent amount would be used to purchase equities and reduce our foreign indebtedness. In other words, we would acquire ownership and control of major companies with substantial assets and activities in Canada.

The objective of this strategy would be a gradual but significant shift in ownership. A 20 per cent reduction in foreign ownership in a ten-year period would not be an unrealistic goal. We would attempt, over a period of years, to achieve Canadian ownership and control of giant, multinational enterprises in such industries as electronics, rubber, chemicals, transport equipment, etc. The list would include each field of endeavour that is important to us and which offered a reward commensurate with the investment we would be required to make. The President of Mexico said this morning that the question is of decisive importance. The future of Canada's independence of action is at stake. These industries would not be government-owned; they would be Canadian-owned, with the widest possible equity participation both directly by individuals and through mutual and pension funds. Their acquisition and development would be a team effort by Canadian entrepreneurs and Canadian financial institutions with the encouragement and assistance of the government and the people of Canada.

This positive, Progressive Conservative strategy represents a positive approach to a serious problem. It recognizes that in a world of giants, the benefits of independence go only to those who are giants. That is not to say that small business will be less important. Quite the contrary; small business will benefit from the extra thrust and by the enlarged requirement for Canadian sourcing of sophisticated components and products of all kinds. The emphasis on giants is merely recognition that Canadians should not be limited to small business but should have access to the major league as well. Only a strong and mature economic and industrial base will give Canada the capacity to retain and expand its position in world markets. To achieve that level of economic competence, Canada must develop internally that pinnacle of technological expertise which is a prerequisite for an innovative and dynamic economic structure.

Can we do it? Of course we can. It is just the kind of challenge young Canadians want and need. In closing, I would like to borrow a phrase I believe to be appropriate: Make no small plans for they hold no fire to stir men's blood.

Mr. David Lewis (York South): Mr. Speaker, as hon. members know, my colleagues and I in the New Democratic Party throughout the country have for many years expressed concern about the extent of foreign ownership of the economy in Canada and about the trends that have continued throughout the years. I must begin this afternoon by saying to you, Mr. Speaker, that as I listened to the Minister of Industry, Trade and Commerce (Mr. Gillespie), and later to the hon. member for Trinity (Mr. Hellyer), I continued to feel sad for my country as far as its economic independence is concerned.

[Mr. Hellyer.]

The minister, who really ought not to have done so, boasted about the steps that have been taken by Liberal governments. It is not until now that this government has come to realize that the question of Canadian economic independence is an important one, that Canadian economic independence is being demanded by ever-increasing numbers of Canadians. Only now has the government begun to realize that fact. While the minister boasted about the tiny, mincing steps that have been taken through the years, the situation is really rather shameful since they did not accomplish anything, and could not accomplish anything as far as the major problem of the control of Canada's economy is concerned. Nor should the minister have boasted about his bill, though I detected in his speech the realization that Bill C-132 was merely one step, and perhaps not a very large one, in the direction that he claims we want to go.

We then heard the hon. member for Trinity, who spoke vigorously and held out, he said, promises of a positive and dynamic policy. But analyse that policy, Mr. Speaker, and all it amounts to at every turn is further tax concessions to the corporations, additional tax concessions to the wealthy investors, more tax concessions to those who will build, he says, Canadian entrepreneurship—everything at the expense of the Canadian people. When the hon. member talked of further and massive progress in research and development in this country, what did he really say? He chided the Canadian government for the fact that only 18 per cent—I think that was the figure—of public money has gone into research and development in Canada, whereas 53 per cent has been spent in the United States.

What the hon. member is saying to this parliament and to the people of Canada is that most of the corporations of this country in these fields which are foreign owned should be given millions of dollars of Canadian taxpayers' money to carry on research and development in Canada. Those were his solution to the problems of Canadian economic independence. He suggested greater tax concessions for the wealthy, the rich and the powerful corporations.

• (1550)

An hon. Member: Nonsense.

Mr. Lewis: The hon. member can say "nonsense" as long as he likes, but that is exactly what the hon. member for Trinity said. He criticized the small capital gains tax we have in this country and all the other little measures we have undertaken to close some of the loopholes. He wants more tax concessions for investors and more tax concessions for corporations. That is one way, he says, in which we are able to carry out research and development in this country. He says the federal treasury should not put in 18 per cent of what is now being spent on research and

development, but 53 per cent. That is exactly what the Conservative party is proposing.

In that respect the Liberals and Conservatives are clearly one. The only way they can see of promoting the economy of Canada is to make the wealthy wealthier and the powerful more powerful, all at the expense of the ordinary Canadian worker and the small Canadian businessman. We reject that kind of approach to Canada's economy and Canadian economic independence.

The hon. member for Trinity said—and this is the kind of statement that is so often made by Tories, particularly in this parliament, which lowers my respect for them—that if you have a screening agency, the decisions will be subjective. I should like to know what, in heaven's name, he means. I should like to know what agency, what board, what minister or what other organization you may have for making decisions in other than a subjective way.

My criticism of the bill is very considerable. I will come to that in a moment. I want to add at this point that I reject the dogmatic position of the Conservative party as an alternative to the bill before us, because in my opinion it is not an alternative; it is merely a continuation of the policy which has been followed until now. The minister was right when he said that a successful, profitable Canadian company is obviously a very attractive firm for foreign takeover. That is what has happened in the past and that is what will happen in the future.

We consider the discussion on this bill as being of immense importance to this parliament and this country. I am grateful for the statement by the President of Mexico to the Parliament of Canada this day. As I listened to him, I was both grateful for his eloquence and appreciative of his statements, and at the same time ashamed for my country. Mexico is a country much weaker than Canada, with fewer resources, much more dependent upon the outside world, and with a history of violence. But Mexico has gained its independence. It is a country that had the courage to nationalize the oil industry, taking it out of the hands of foreign corporations and putting it into the hands of the people of Mexico.

Some hon. Members: Hear, hear!

Mr. Lewis: It did so despite the history of relations with the United States, which might have involved a great deal of fear about the things that might happen. Mexico has had a history of relations with the United States which has not been as peaceful as ours since 1812. Their history being different. One might have expected the government and the people of Mexico, having had this experience of U.S. forceful intervention, to have hesitated in taking steps against the American-owned oil corporations in Mexico. But that country had the wisdom to recognize the importance of this industry to their economic independence, and the courage to act upon it. They did not stop there: they went on to further measures which have just been introduced and about which His Excellency spoke this morning.

The President of Mexico said last night, and this morning, that his government intends to adopt further measures to reduce holdings of foreign corporations in that country's economy. I said that as I listened to the President I was proud to be associated with him in this House, but at the same time I was ashamed at the timidity which Canada has shown throughout the years. I was ashamed by the fears which Liberals and Conservatives have shown, and particularly about the way Canadian business leaders have been prepared to sell off Canada's wealth to multinational corporations because they could make an easier and faster buck.

We are not concerned about Canadian economic independence on the basis of some arid or negative kind of nationalism. This is not because Canadian corporations are any more thoughtful of workers or consumers than foreign-owned corporations might be. The objectives of a corporation, whatever its ownership, are the same. The interest in profit and power is the same. The public interest takes second place whether the corporation is privately owned by Canadians, owned by Americans or owned by nationals of any other country.

Our concern is not in respect of this question concerning Canadian economic independence. Our concern is in respect of the question regarding the future of this country being decided by forces outside which we cannot even influence. Our concern is for the future of jobs for Canadian workers. We are concerned with the fact that these jobs are often is jeopardy as a result of a branch plant economy. We are concerned about a resource industry which yanks the wealth out of the ground and ships it away as quickly as possible, without taking the trouble to process, refine or develop it by employing Canadian workers in Canada. These are the things that worry us. Above all, we are concerned because history has taught us that a country which does not control its own economic destiny is unable to control its own political and social destiny.

If it is our intention to go on with private members' hour at four o'clock, as is usual on Friday, this might be a good point for me to finish my remarks, Mr. Speaker.

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

PRIVATE MEMBERS' MOTIONS

OLD AGE SECURITY

SUGGESTED GUARANTEED INCOME PAYABLE TO MARRIED COUPLES WHEN EITHER SPOUSE REACHES AGE 65

Mr. Robert C. Coates (Cumberland-Colchester North) moved:

That, in the opinion of this House, the government should give immediate consideration to the establishment of a program, in conjunction with the provinces, that would guarantee a basic income to a man and wife, upon one or the other attaining age 65, of not less than that amount they would qualify to receive under present federal legislation, were both to have attained age 65 on the date one or the other attained that age.

Old Age Security

He said: Mr. Speaker, I embark upon the debate of this private members' notice of motion with a degree of optimism that certainly did not exist prior to October 30, 1972. I do so for two reasons. First, there is no doubt that a government, whatever government it might be, which finds itself in a minority position in this chamber indicates a degree of sensitivity for the problems of people which does not exist when a government holds a majority position in the House.

• (1600)

Second, I take this approach because of the activities and the statements of the Minister of National Health and Welfare (Mr. Lalonde). He is new to this House but is not new to this government, bearing in mind that for a number of years he sat in the back room conceiving policy for the government. For a number of years he has made a contribution to one government after another, as a bureaucrat. I may say it has come as a pleasant surprise to me and, I am sure, to many Canadians, especially those who are affected by social justice legislation, that the new minister has grasped, in the way he has, the responsibility associated with his portfolio. My only concern is whether the minister can translate into action the words he has spoken about social justice.

I feel more confident about his ability to do so because he has been a bureaucrat for a very long time. If anyone should be able to cut the red tape associated with federal bureaucracy, it should be him. I say this because I have read very carefully the many statements the minister has made, and I agree with most of them.

There is an unbelievable morass associated with social justice which must be straightened out. I do not know whether the end result should be a guaranteed annual income or some other program that would eliminate the duplication and, I hope, much of the heavy burden of cost associated with many of the problems relating to the minister's department.

The legislation which has been introduced relating to social justice is important. At the same time, however, far too much money is being spent on administration. In too many instances, federally, provincially and municipally, the people affected by social justice programs and the problems associated with them are not receiving sufficient income to maintain themselves with dignity.

I was very pleased to read the minister's comments regarding the social assistance programs which exist in many of the provinces. I agree with him that too many people who must rely on assistance associated with the Canada Assistance Program are not receiving as much money as our old age pensioners. These people face a terrible burden, especially when the breadwinner is disabled and there is a family of anywhere up to ten persons dependent upon a cheque from the provincial government that does not provide them with sufficient income on which to exist. But that is the case. It is the case in the province of Nova Scotia where until recently, when amendments were proposed to the act, a disabled person, his wife and family had to exist on $200 a month. That was a scandalous situation.

My motion relates to another unfortunate situation affecting a great many older Canadians. I refer to a situation in which a man and his wife, or a wife and her husband, endeavour to maintain themselves on what is available to them through one cheque for old age pension and the guaranteed income supplement. I wish to place on record a few of the letters I have received from constituents. These letters bring the point very much to mind. They are all of recent date and come from various areas of my constituency. I am sure this indicates that if people were writing me from all across Canada, the letters would contain the same type of wording. This situation exists wherever there are older people and it is a situation we must eliminate. This letter comes from Oxford, in my constituency, and is from a lady who writes:

> I am writing to state I think the old age pension should be dropped to age 60 years. For instance, my husband gets the old age security pension, and I am not old enough for this by several years. And by the time we pay electricity, fuel, groceries and medicine there just isn't enough to go around. I am also diabetic and should be buying special foods without sugar, etc.
>
> I wonder if the government thinks that I should starve or do without the necessities of life.

That letter is dated January 25, 1973. The next letter is from Parrsboro, which is quite a distance from Oxford, and is dated January 25, 1973. It reads:

> I am writing to ask if there is anything that can be done to help us. My husband is an old age pensioner, but I am not old enough to get the pension and I am unable to go out to work. What with the cost of living going up, so also the cost of medicines, we just can't have the things which we need. We both have to take some medicine, not as much as some people, thank goodness for that, but even so we can't always get the medicine we need.
>
> My husband gets a small Canada pension each month, which gives him a total of $174.28 a month, which doesn't go very far with the cost of living so high.

Here we have two people who are trying to live on $174 a month. The position in which these people find themselves is scandalous. It is caused by the situation which exists at the present time. Here is another letter from Springhill:

> If I may take a few minutes of your valuable time and express my views regarding old age pensions and unemployment insurance; in regards to pensions, in the majority of cases the wife is five to ten years younger than her husband, which means he cannot afford to retire at age 65 on one pension due to cost of living, taxes, etc., and due to the fact that older people seem to require more drugs and medicines.
>
> I will be 67 next birthday and can see no way that I can retire before reaching 69 or 70, due to the fact that my wife is six years younger than me and does require continual medical care. So I think that the wives of older husbands should be given the pension when their husbands reach age 65, instead of putting millions of dollars into unemployment insurance. Let the younger men go to work. Instead, we are building a country of soft young men.

The next letter I wish to quote is from Amherst and reads:

> My family and I have given you support before in elections and will again if you can possibly help me any in receiving a pension. I was 60 years of age on September 13, 1972. My husband receives the 65-year old pension and it is not enough for both of us. He only receives $84 a month and it don't even commence to pay the bills; there is nothing for medicines and clothes.

• (1610)

Here is another letter, from Joggins. It reads:

> I am writing this letter to see if you can help us.

Mr. Brown is 71 years old and I am 64 years old. Mr. Brown is getting the old age pension, $150, and I get a small $46 cheque from the welfare. We have rent to pay, electric bills, coal bills, groceries bills and doctor's bills and medication bills, and have to hire someone to do the housework. At times Mr. Brown has amnesia and I have heart trouble and arthritis.

This is the sad situation in which a great many people of this country find themselves: one of the two spouses qualifies for old age security, and the two of them try to survive together until the other one qualifies for old age security. There is no reason why we cannot work out a scheme whereby when the breadwinner reaches the qualifying age for old age security, the other spouse will qualify for an equivalent amount, so that at least the two people can have a decent amount of money available to them.

A great many of these cases would be eliminated if we were to drop the age of eligibility for old age security benefits from 65 to 60 years of age. I realize the cost would be great. The Minister of National Health and Welfare said it would cost $1.1 billion. First of all, I do not think that that is too high a price to pay to ensure that our elderly people receive a decent amount of money, in a nation as affluent as ours. Second, I think there are systems which would allow us to do it gradually, in the same way as when we reduced the age of eligibility for old age security from 70 to 65.

I am informed that the total number of males in Canada between the age of 60 and 64 is 381,690, and the total number of females in the same age bracket is 395,320. This gives a total of 777,010. I feel that over a five-year period, a program could be implemented that would eliminate the problem that I am bringing to the attention of the House and also reduce the age requirement for old age security. This would do two things: first, it would eliminate this problem, which is a very real and severe one, faced by many Canadians; second, it would allow a great many people to remove themselves from the labour force at a time when we have high unemployment and it would allow younger people to move into the labour force.

This would accomplish two things: it would ensure that people could retire when they desired to do so; and, second, it would provide an income for people which would at least provide them with the necessities of life, which a great many of them do not receive at present under this system. It would also eliminate some of the older people from the labour force by allowing them to retire when they desire to do so, and provide opportunities for younger people to move in and take their place.

In this way the government would achieve two things: first, it would ensure that older citizens who have contributed so much to the building of this nation would receive a decent income on retirement; and, second, it would provide further opportunities for younger people who desire jobs but cannot find them now.

[*Translation*]

Mr. Francis Fox (Argenteuil-Deux-Montagnes): Mr. Speaker, I have read with great interest the motion before the house. The hon. member proposes:

That, in the opinion of this House, the government should give immediate consideration to the establishment of a programme, in conjunction with the provinces, that would guarantee a basic income to a man and wife, upon one or the other attaining age sixty-five, of not less than that amount they would qualify to receive under present federal legislation, were both to have attained age sixty-five on the date one or the other attained that age.

Mr. Speaker, the welfare of our fellow citizens who have reached the golden age is a subject close to my heart. I was reading recently in a Statistics Canada publication that we are happy to number among the people of Canada more than 1,744,000 Canadians aged 65 or over. Among these are men and women who did their share to build this Canada we are proud of, men and women who still contribute to the welfare of the society they live in men and women who face their golden days with confidence, with serenity.

Mr. Speaker, it is undeniable that the recent changes to the Old Age Security Act proposed in the House by the Minister of National Health and Welfare (Mr. Lalonde) are a source of great progress, a progress which will allow a greater number of our fellow citizens aged 65 or over to face the future with confidence and serenity.

When we look at the history of this programme, since its implementation, we can notice this progress.

[*English*]

Twenty-five years ago, the only payment available for senior citizens was the universal old age security benefit, which amounted at that time to $40 a month. In 1957, that payment amounted to $46 a month starting at the age of 70. Between 1957 and 1962, when the right hon. member for Prince Albert (Mr. Diefenbaker) was prime minister of this country, the benefit was increased by $9 during the first part of the Conservative administration and by $10 toward the end of their administration.

Successive Liberal governments have raised the benefits available to pensioners on eight occasions since that time. In 1963, during the stewardship of the Right Hon. Lester B. Pearson, the old age pension was raised to $75 a month. A 2 per cent escalation clause to offset the cost of living was introduced in 1966. In 1970, under the leadership of the Prime Minister (Mr. Trudeau), the pension was set at $80 a month and became payable to persons aged 65 and over as a result of action taken in 1966. In 1972, the Liberal government introduced an escalation clause to fully adjust the old age pension to increases in the cost of living, and during the budget speech the Minister of Finance (Mr. Turner) announced that as of April 1, 1973, the basic old age pension would be increased to $100 a month.

Ten years ago there was no income supplement for senior citizens who had no other source of revenue aside from the old age pension. The guaranteed income supplement was introduced in 1966 and provided a maximum payment of $30 a month above the old age pension to pensioners with no other income. In 1970, the maximum supplement was increased to $55. In 1972, the government under the present Prime Minister increased the maximum to $67.12 per month and indexed the guaranteed income supplement to fully reflect increased in the cost of living. Canadians over 65 years of age were eligible, before the recent amendments to the Old Age Security Act were introduced, to receive a basic old age pension of $82.88 a

month and a maximum supplement of $67.12, depending on the level of their income.

As of April 1, 1973, taking into account the measures enacted under the Old Age Security Act, the basic pension of $100 a month, added to the newly-indexed supplement of $70.14, will mean an income of $170 a month for a single Canadian over 65 who has no other income. In the case of a married couple both of whom are over 65, the maximum benefit payable will be $325.

[*Translation*]

Mr. Speaker, it is to the credit of the Canadian parliament that it has always taken a keen interest in the problems of those of our citizens who have reached the normal retiring age of 65. I therefore consider that the matter before us today deserves our thorough attention.

Mr. Speaker, I have never been one to oppose reform or progress simply because it is piecemeal rather than universal. There is no shortage of excuses for stagnation. In my opinion, it is better to improve the financial condition of certain groups, when we can afford to, than to do nothing. Nevertheless, we must be aware of what we are doing, and make sure that public funds will be spent in the best way possible. This is an area in which the federal and provincial governments have responsibilities in common, and must act together as far as they can.

We all know, Mr. Speaker, that the provincial governments have a very special responsibility to those under 65, by virtue of their various social welfare programs. The federal government contributes enormously to the social welfare programs that the provinces devise and administer. Under the Canada Assistance Plan adopted by the federal government, 50 per cent of payments made by provincial governments to people in need are taken from funds voted by parliament.

Some will say—and often rightly—that a couple in which one of the partners reaches 65 may need special assistance. We must not, however, forget that people under 65, whether single or married, may also be in need. The answer of course is not easy. It is true that those people under 65 come under provincial social assistance programs. For those people, particularly those who are incapable of working, there is sometimes a considerable gap between what they can get under the provincial plans and what they could get under the federal old age security plan.

I fully agree, Mr. Speaker, that we must give additional help to those people but I think that the solution to this problem lies in the guidelines contained in the Speech from the Throne and the authoritative speeches made in this House on January 11 and March 1st by the Minister of National Health and Welfare (Mr. Lalonde). Those problems can only be resolved through close co-operation with the provinces and the integration of security plans but I think, Mr. Speaker, that a couple where one of the spouses, particularly the spouse who is the breadwinner of the family and who reaches the age of 65, generally faces the same problem as the family where both spouses have reached the age of 65. Nevertheless they come under different plans.

Mr. Speaker, I think that the government should look further into that in co-operation with the provinces so that we, as parliamentarians, can know clearly and exactly what is the plight of those families and act with full knowledge of the facts.

The blue book introduced in 1970 by the predecessor of the Minister of National Health and Welfare said, and I quote:

> More than 800,000 aged persons over 65 have such low incomes that they qualify for the income supplement.

Among those, Mr. Speaker, we find of course married people where one of the spouses is under 65. If it is true that the eradication of poverty depends basically on the strength of the private sector of the economy as well as on the efficiency of government measures for growth and stability, nevertheless the fact remains that our fellow citizens aged over 65 can benefit from them only through an act of parliament.

The case of the family whose main provider has reached the age of 65 ought to concern us just as much as that of the family where both spouses have reached that age. The problems are the same and perhaps the solutions should also be the same.

Mr. Speaker, it is too easy to succumb to the temptation of playing politics in that field. Why not bid higher than the other guy? Why not gain temporary popularity by promising favours to certain categories of people? But a government, a parliament that is aware of its responsibilities must study the possibilities of extending them to the other categories as well if it wants to reach enlightened conclusions. To set new priorities without first clearly identifying them with the provincial authorities would not serve the true interests of the Canadian people.

• (1620)

[*English*]

Speaking in the debate on the throne speech on January 11, the Minister of National Health and Welfare (Mr. Lalonde) said there ought to be a review also of the whole of Canada's social security system. The minister also proposed a framework within which this review could be carried out. The five-point framework is built around the following principles. First, the social security plan shall ensure to persons unable to work, the elderly, the blind and the disabled, an annual guaranteed income that is fair and compassionate; second, the social security system applicable to persons able to work shall include incentives and emphasize the need for reinstatement of social welfare recipients into the labour force; third, a just ratio must be maintained between the income of workers who earn only the minimum wage or not much more, the guaranteed income of those unfit to work and the allowances paid to persons able to work but temporarily unemployed; fourth, the provinces may wish to have a social security system modified in accordance with the social needs, the income level and the cost of living within their jurisdiction; fifth, the reappraisal of Canada's social security system must be conducted jointly by the federal government and the provinces.

I submit, Mr. Speaker, that the best method of fighting poverty in this country is through the creation of meaningful jobs which take people off the welfare rolls. There will always be citizens, however, who for one reason or another, in temporary or special circumstances, are

unable to work. To give a few examples, there are in this country 150,000 abandoned mothers who must take care of 350,000 children; 200,000 disabled people between the ages of 18 and 65. Furthermore, some families would certainly welcome increases in the family allowance.

There are some of the reasons why I believe we must undertake a complete review of present social security legislation. Our reserves are not unlimited; therefore, our priorities must be clearly set out. Mr. Speaker, the Canadian people and this parliament will follow very closely the discussions between the federal minister and the provincial ministers of health and welfare. Hopefully, a new format will evolve from these meetings which will meet the five-point framework I have outlined which has gained, and is continuing to gain, widespread acceptance.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to commend the hon. member for Cumberland-Colchester North (Mr. Coates), as I would commend any member of any party of this House, on raising the question of lowering the pensionable age. The hon. member who has proposed this motion has suggested in it just one means of achieving that object, namely, lowering the pensionable age, and that is by providing the pension to the spouse of a pensioner where that spouse has not yet reached the age of 65. I believe he will agree that this is a step in the direction of what he really wants to achieve, and not only am I completely with him in what he wants to achieve, but I have the same notice of motion on the order paper and I think I have had something to say about it on a number of occasions.

I say to the hon. member for Argenteuil-Deux-Montagnes (Mr. Fox) that this is not exactly a time for boasting over what his party has done over the years, all of which has been provided. Some of us could recount the story in our sleep, having heard it so often. Indeed, I have lived through all of it. Nor is it a time to push off the issue by saying it has to be studied in depth in the context of the whole of our social security problem. I do not think there is any question but if that mythical thing, a free vote, could take place in this House so that members could express the views that are being expressed to them by their constituents, there would be wide support in all parts of the House for immediate action to lower the eligible age.

One of the reasons I am glad the hon. member for Cumberland-Colchester North was in a position to proceed with this motion this afternoon is that this is the very week in which we have given third and final reading to one bill respecting the Old Age Security Act—we passed it a couple of days ago—providing for an increase in the basic amount of the pension to $100 a month. I was disappointed, when that bill was brought in, that it did not do something about lowering the eligible age as well.

I remind hon. members that the general practice around here is to be satisfied if an act is amended once a session, but I hope this House does not feel that way about the Old Age Security Act. It will not be enough just to coast along on the knowledge that the pension was raised in the present session to $100 a month. The issue of people under 65 particularly those who have been referred to this afternoon, namely, spouses of pensioners on a pension—the result being that two people are having to live on a pension for one—is one that must be resolved.

• (1630)

I say to my hon. friend who has sponsored this motion that although I support him in this as an initial step, I am sure he will agree with me that if we provided pensions for younger spouses, we would immediately be faced with the problems of widows below the age of 65 and of spinsters below that age who would say that if certain people are getting the pension, why should they not get it? The real answer to this problem—and I give the hon. member full marks for referring to it in his speech today—is to lower the pensionable age to 60. I urge that this be done, not only with respect to the Old Age Security Act but also with respect to the Canada Pension Plan.

I support those who contend that we would make a significant contribution to our unemployment problem if we could make it possible for people over 60 to retire, because then there would be more jobs for younger people. But there will not be sufficient inducement for people to retire at age 60 if all they will then get is the old age security pension. In addition to the old age security pension, they must also be given the Canada Pension Plan benefit. We must also develop a climate in which industrial pensions are made available at age 60.

I believe that is one of the next important reforms that we must now make in old age security. We have made many reforms over the years, as hon. members know. My connection with old age pensions began in the days when it was $20 a month at age 70, with a means test. Now the age has been reduced to 65, and for the larger part of the pension we have got rid of the means test. We also have an escalation clause in our pension legislation. I think we must improve that escalation clause and provide for an escalation not just equal to the rise in the cost of living, but for one equal to the rise in the standard of living.

The other point that is before us this afternoon, in my view, is an extremely important one and I want to see it resolved in the present session. I want to see a break in the age 65 floor. I know that this view is not held just by members of my party; it is held by members of the Conservative party, and my friends across the way in the Social Credit party also hold this view strongly. To my knowledge, there are scads of members in the Liberal party who feel the same way.

So I hope we will not just have discussions like the one we are having today; that we will not just have a valuable discussion in the Standing Committee on Health, Wealth and Social Affairs and a discussion with the provinces: I hope the government realizes that it will be bombarded with demands on this issue throughout the session and that what we really want is another bill amending the Old Age Security Act in the present session of parliament. That bill must provide for pensions to be made payable to spouses who are below 65 when the breadwinner is a pensioner. Preferably, pensions should be made payable across the board, right now, at age 60.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I am pleased to congratulate the hon. member for Cumberland-

Colchester North (Mr. Coates) for having introduced a motion which reads in part as follows:

The government should give immediate consideration to the establishment of a program, in conjunction with the provinces, that would guarantee a basic income to a man and wife, upon one or the other attaining age sixty-five—

One could say in the future, I hope, "the pensionable age". I am sorry that this private members' hour does not allow us to achieve positive actions and I have always hated that period which means nothing. We talk during one hour, everybody expresses good wishes, but by the end, the bill is talked out and its study is put off until the twelfth of never. Tonight, I hope we end our remarks before five o'clock in order, at least, to have the motion voted on. However, I am afraid that, as usual, the question will fizzle out.

For years, we have been asking for an equal pension for the spouse having not yet reached the pensionable age when the husband has become eligible.

In fact, in 1966, my colleague from Abitibi (Mr. Laprise) introduced a similar motion; as can be seen, the question is not new but it still took us six years to convince the members of the Conservative party, and we still hope that the Liberals also will finally give their agreement.

Six years is a long period for the older people—and perhaps are they to wait another six months or another year—to get at last a favourable reply to a request that the whole population has put before the governments in all provinces.

What is new today is the progress the idea has made, although a difficult one, but we have scored marks.

In the fight we put up on March 27 and 28, we obtained the support of the New Democratic Party. I have just heard the speech of that party's spokesman and I was happy to note that the New Democratic Party is unanimous on this matter, as could be expected from their statement, as today I feel one cannot rely on the statement of one individual but must know the opinion of each and every one. At any rate, they even congratulated us on putting up this fight, which opened the eyes of many hon. members.

It would now appear that Progressive Conservatives are following suit—oh, with great caution—but let us hope they will have the courage to support us in our efforts to bring the age of eligibility for the old age security pension down to 60.

I am raising this point because I was appalled to note, on March 28 last, barely two days ago, that all Progressive Conservatives voted with the Liberals against an amendment to bring the age of eligibility for the old age pension down to 60 while granting the same pension to the other spouse, of whatever age. The reason why we hoped for Progressive Conservative support on the occasion of the vote on March 28 is that the motion before us today has been on the order paper of the House for several weeks, but some political reversals have no other explanation than opportunism.

I recall that, on the occasion of that vote of March 28, Social Credit members were termed demagogues by the new Minister of National Health and Social Welfare (Mr. Lalonde) and also by the spokesman for the official opposition. In fact, we worked to make the government bring forward a bill similar to the motion under study. I have always noticed that such words as "demagogues" and others like it are always the last arguments of a defenceless government.

[Mr. Gauthier (Roberval).]

• (1640)

Being more logical than two old parties and, consequently, not at all demagogues, we heartily congratulate the progressive conservative member and we urge him to be firm in order to convince once and for all his hon. colleagues of the merit of his motion and of our determination to fight to obtain the reform of the old age security plan.

The problem of the wife who is younger than her husband who has reached pensionable age is much more dramatic than some members suspect, particularly in Quebec. If this were an ordinary debate, I would have made a point of bringing letters I have received from my riding. I have hundreds of letters asking for the granting of a pension for a wife who is younger than her husband, because the Quebec Welfare Services are experiencing serious difficulties.

The situation may be better in other provinces. But, as I come from the province of Quebec and know what is happening there, I am specifically speaking about my province. In fact, the Quebec minister, Claude Castonguay, is still convinced that a couple can live on $150 a month.

This is the reason why, when the federal government pays $150 or $156 a month, the wife who is younger cannot get anything from Quebec. The standard amount is a $150 a month. They are being told: whether you die or not, a payment of $150 is enough, so be comforted. Such is the democratic regime in Quebec, which is headed by former technocrats. We are all the more justified in protesting now that the pension has been increased to $170 a month, Mr. Speaker. If the wife is only 55, this means that the couple will have to live for five years on $170 a month. This couple will be lucky if it does not have to pay a special tax on the $20 increase.

I have already exposed in this House all the anti-social measures that the government takes pleasure in bringing before Parliament. The legislation on old age security pensions is a striking example.

When they do introduce a social reform, it is always in driblets, because all those measures are devised, worked out and prepared by technocrats who never came down among the people to learn its needs and because the government never listened closely to the expectations of the people, or if it did, it pretended not to hear anything.

In my opinion, both members of the government and the opposition hear from their constituencies. Surely, they must receive letters asking them for a reform. We can wait six years for a small reform. We have been yelling, asking, begging for six years, by proposing motions and amendments, and always we have been answered by fine words and nothing else. And the wives who are not yet 65 are still waiting for our social reforms, Mr. Speaker.

I said a while ago that all this was caused by a group of technocrats who don't really know the needs of the popu-

lation, while here they are all-powerful. If all our social reforms originated among the population, one can be sure that we could at last lay the foundations for a true social reform.

As long as the population will be governed by Ottawa mandarins who are very well paid all their life and unafraid of being attacked by the people, it will be impossible to pass the legislation which the population so badly needs.

The only solution is to give back to the member of Parliament full freedom of action and his responsibilities in his riding, that he might truly reflect the opinions and the will of his electors.

The ministers should remain strictly the servants of Parliament, instead of acting as screens, not to say flunkeys, of big financial interests.

Only on that condition will we pass in this House measures as humane as the one before us today.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I will speak only briefly in this debate because it is obvious that all hon. members now in the House strongly support the intent of the motion. With such unanimity, I am sure we all want to see its formal acceptance as one of the serious areas of neglect in our welfare program as it applies to the senior citizens of Canada. In his presentation the hon. member, as others have done, referred to letters he has received from constituents. I am sure all of us in this House could quote innumerable letters of the same kind.

The hon. member for Argenteuil-Deux-Montagnes (Mr. Fox) referred to the recent statement of the Minister of National Health and Welfare (Mr. Lalonde) in which he outlined the priorities of social welfare legislation. The first priority is to deal adequately and comprehensively with the special needs of the elderly, the physically handicapped and the blind who obviously are not in a position to take care of their own economic and financial needs. I couple this plea, Mr. Speaker, with the suggestion which has been made with respect to senior citizen, married couples. I trust the government will exercise the authority it possesses to bring before the House an adequate legislative program which will implement the criteria which the minister himself has described as of first importance, namely, legislation which will look after the needs of the elderly and the physically handicapped in a satisfactory way.

This is an area in which there need be no hesitancy on the part of the federal government. There is no jurisdictional dispute involved: it is exclusively the territory of the federal government. I trust that before this hour closes we shall have given unanimous consent to the resolution, thereby empowering the government to take necessary action.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, it would be difficult to oppose the spirit of the motion before us, because it recognizes a very real problem in our society. There are cases where a person of pensionable age has a spouse who is slightly below that age. Consequently, they have to live on one person's pension. This is a difficulty which has been considered by the government and is still under active consideration.

The motion before us goes beyond this point, however. It talks about a spouse married to someone of pensionable age being eligible to draw a pension regardless of his or her age. There may be situations in which the person of pensionable age is married to a spouse who is 20 years younger, to someone still a member of the work force. It seems to me that it would be more reasonable to suggest, for example, that spouses between 60 and 65 who are married to someone of pensionable age should be eligible for pension as though they were of pensionable age. It seems to me this would be more acceptable than taking a broad approach and saying that anyone in that category, regardless of age, should be entitled to a pension.

My feeling is that implementing such a program might easily give rise to difficulty and, perhaps, to some abuses. A spouse who received such a pension when she was young might, after the death of his or her partner, continue to be eligible for pension for a very long time. The department has given a good deal of thought to this matter, particularly in light of the forthcoming federal-provincial conference on social security at which it is intended to review the social security system in Canada.

When the original federal-provincial conference on this subject was held a month or so ago, the provinces asked the federal government not to make adjustments to the old age security and related programs by altering the age qualifications and making other adjustments. They felt there were other priorities which should be taken into account in ensuring that justice was done all the way around. They were afraid that if steps were taken of the kind suggested in the motion before us in the absence of consultation with the provinces, there might be no money available to meet other requirements and priorities which might be put forward.

As members know, there are other areas which must be considered in terms of priority; for instance, the family allowances scheme, the situation of the working poor, the needs of the handicapped, touched upon by the hon. member for Brandon-Souris (Mr. Dinsdale), to mention only three. All these needs must be considered in relationship to each other, and it seems to me it would be improper at this time for the government to take a position with respect to one problem, even though it is an important human problem, and say it proposes to deal with it in a particular way, before the provinces have had an opportunity to review the whole question with us and reach a common decision which will take all priorities into consideration. It seems to me that in terms of national unity alone, the federal government ought to give consideration to the views of the provinces when fixing priorities.

As I say, the government is concerned about this problem and is giving it immediate consideration. We shall be attending the conference to be held during Easter week, which is not far away, when all these matters will be brought forward, and we shall be proposing an over-all approach to social security which, hopefully, will establish the right kind of priorities so that not only senior citizens but the working poor and those who are unable to work at all, such as the handicapped, are dealt with fairly. We would then be able to proceed with a plan which

would recognize the passage in the Speech from the Throne which spoke about a guaranteed annual income for those who are unable to work, and total reform of social security policies affecting everyone in Canada.

Mr. Coates: Would the hon. member reply to a question?

Mr. Cafik: When I have completed my remarks I will be delighted to entertain a question.

Mr. Coates: If the hon. member does not allow me to ask a question now, he will have talked out the resolution.

Mr. Cafik: As a matter of fact, I have already indicated that in my view this subject is being given adequate, immediate consideration. So in my view it is redundant to pass the resolution before us today. It is after the fact. The government has already stated its position and the importance it attaches to the social problems of the nation.

Mr. Speaker, may I call it five o'clock?

Mr. Coates: It is not five o'clock, Mr. Speaker, so perhaps you will put the question.

Mr. Cafik: Look at the clock.

Mr. Deputy Speaker: It being five o'clock, the hour appointed for the consideration of private members' business has expired.

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

APPENDIX

ADDRESS

of

LUIS ECHEVERRIA

Constitutional President of the
United Mexican States

to

Both Houses of Parliament

in the

HOUSE OF COMMONS CHAMBER, OTTAWA

on

Friday, March 30, 1973

The President was welcomed by the Right Honourable P. E. Trudeau, Prime Minister of Canada, and thanked by the Honourable Muriel McQueen Fergusson, Speaker of the Senate.

[*Translation from French*]

Hon. Lucien Lamoureux (Speaker of the House of Commons): The Senate and the House of Commons of Canada rejoice in the presence here of the President of Mexico, His Excellency Luis Echeverria and Mrs. Echeverria.

[*English*]

We are highly honoured and pleased that His Excellency, the President of Mexico, has accepted our invitation to address this joint meeting of the Senate and the House of Commons of Canada. On behalf of my colleagues of the House of Commons and of the Senate I would invite the right hon. Prime Minister to welcome and introduce our distinguished guest.

[*Translation from French*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. President, Mrs. Echeverria, Madam Speaker of the Senate, Mr. Speaker of the House of Commons, Ladies and Gentlemen Senators and Members of Parliament.

On behalf of the Canadian people and their parliamentary representatives, I have the honour of extending to you, Mr. President, to Mrs. Echeverria and to all the members of your entourage, the most cordial welcome to this joint sitting of both Houses of the Canadian Parliament.

[*English*]

Although we could point to obvious differences between Mexico and Canada, we would like to think of ourselves as similar in many ways. Among the most important similarities for our present and future relations is our common status as intermediate powers on the world scale. We would not claim to rank with the super powers, with populations of hundreds of millions, with relatively self-contained domestic markets, and with a

DISCURSO

de

LUIS ECHEVERRÍA

Presidente Constitucional de los
Estados Unidos Mexicanos

a

Ambas Cámaras del Parlamento

en la

CAMARA DE LOS COMUNES, OTTAWA

el

viernes, 30 de marzo de 1973

Dio la bienvenida al Presidente el Excmo. Sr. P. E. Trudeau, Primer Ministro de Canadá, y le dio las gracias el Excmo. Sr. Muriel McQueen Fergusson, Presidente del Senado.

[*Traducción del francés*]

El Excmo. Sr. Lucien Lamoureux (Presidente de la Cámara de los Comunes): El Senado y la Cámara de los Comunes de Canadá se complacen en acoger aquí al Presidente de México, Su Excelencia Luis Echeverría y la Sra. de Echeverría.

[*Traducción del inglés*]

Constituye para nosotros un gran honor que Su Excelencia, el Presidente de México, haya aceptado nuestra invitación a dirigir la palabra a esta reunión conjunta del Senado y de la Cámara de los Comunes de Canadá. En nombre de mis colegas de la Cámara de los Comunes y del Senado, quiero invitar al Excmo. Sr. Primer Ministro para que dé la bienvenida y haga la presentación de nuestro distinguido huésped.

[*Traducción del francés*]

El Excmo. Sr. Dn. P. E. Trudeau (Primer Ministro): Señor Presidente, Señora de Echeverría, Señora Presidente del Senado, Sr. Presidente de la Cámara de los Comunes, señoras y señores Senadores y Diputados.

En el nombre del pueblo canadiense y de sus representantes parlamentarios, tengo el honor de desearle a Ud., Señor Presidente, a la Sra. de Echeverría y a todos los miembros de su cortejo, la bienvenida más cordial a esta sesión de las Cámaras reunidas del Parlamento de Canadá.

[*Traducción del inglés*]

Aun cuando podríamos señalar las diferencias existentes entre México y Canadá, quiero ahora pensar más bien en lo que nuestros países tienen de semejante. Una de las semejanzas más notables que aceptan nuestras relaciones presentes y futuras es nuestra calidad de potencias intermedias en el mundo. No pretendemos estar a nivel de las super potencias, con poblaciones de varios cientos de millones, mercados domésticos auto-suficientes

huge arsenal of military force. But as countries with over one hundred years of political independence, with considerable human and natural resources, and with a strong desire to govern our own destinies and to make our own contribution to world affairs, we can and we do fulfil a useful and constructive role.

I am inclined to think, Mr. President, that this role is likely to grow in importance. Since World War II, Canada has focused considerable attention on its participation in the United Nations and in multinational organizations such as the Commonwealth and La Francophonie. We will continue to do so, but in today's world we must also place renewed emphasis on direct relations between a network of well placed intermediate powers. Among these, for many reasons, Mexico is foremost in our thoughts.

There is the compelling argument of geography. It is the declared policy of our government to draw closer to our friends and partners in the western hemisphere. Over the past year or two we have given evidence of this desire by cementing our links with the institutions of the inter-American system. In particular, we have sought to identify ourselves more closely with the progress of Latin America in the achievement of social and economic goals. In these activities we consider Mexico to play a very useful part. It is special not only because of the important part you play in the deliberations of the hemisphere but also because our understanding of Latin America is necessarily enriched by a close and mutually beneficial relation with Mexico, a country with which we share so many common perceptions and interests.

In our meeting this morning, we and our ministers made much progress, Mr. President. We talked in the very candid and practical way that is characteristic of two North American partners and neighbours. Our discussions have confirmed our common conviction that there is much that our two countries can do together, and now is the time to broaden and strengthen our existing relationship and to add new dimensions to it.

[Translation from French]

The distance between our countries has long since ceased to be an obstacle. There are many commercial, technical and human links between us that have contributed to the growth of our economies and the fulfilment of our peoples. More than 100,000 Canadians go to Mexico every year, for reasons of leisure, of course, but also to steep themselves in your extraordinary human heritage from advanced civilizations from the Mayas onwards. Places such as Acapulco and Cozumel, Chichén Itzá and Uxmal, artists and musicians such as Rivera, Orozco and Chávez, have become familiar figures, even close companions for us.

Mr. President, since your inauguration in 1970, you have constantly seen to the welfare of your fellow citizens, you have sought to encourage greater participation in the process of government, and you have attempted to keep economic progress inseparable from social justice. You have also tried to obtain world-wide recognition of these principles, these ideals, so that all nations, whatever their power, may have a share in decisions that concern

y con un enorme arsenal de fuerza militar. No obstante, como países con más de 100 años de independencia política, recursos naturales y humanos considerables y con un marcado deseo de dirigir nuestro propio destino y contribuir a los asuntos del mundo, podemos desempeñar, y en realidad desempeñamos, un papel útil y constructivo.

Me siento inclinado a pensar, Sr. Presidente, que este papel va a crecer en importancia. Desde la Segunda Guerra Mundial, Canadá ha prestado gran atención a su participación en las Naciones Unidas y en organizaciones multinacionales como la Commonwealth y La Francophonie. Así seguiremos haciéndolo, pero, en el mundo de hoy, debemos prestar una importancia renovada entre una red de potencias intermedias bien situadas. Entre ellas, México ocupa un lugar primerísimo en nuestro pensamiento, por muchas razones.

Existe, evidentemente, la situación geográfica. Existe además la política de nuestro gobierno de acercarnos a nuestros amigos y compañeros del hemisferio occidental. Hemos dado prueba de este deseo a lo largo de los dos últimos años, al hacer más estrechos nuestros vinculos con las instituciones del sistema interamericano. De modo especial, hemos procurado identificarnos más estrechamente con el progreso que realiza Latinoamérica en la consecución de sus metas sociales y económicas. Creemos que México representa un papel muy útil en estas actividades. Y esto es así, no sólo por el importante papel que representan ustedes en las deliberaciones de este hemisferio, sino porque nuestra comprensión de Latinoamérica se enriquece a través de nuestras relaciones estrechas y mutuamente beneficiosas con México, país con el que tantos intereses y puntos de vista tenemos en común.

En la reunión de esta mañana, Sr. Presidente, tanto nosotros como nuestros ministros, hemos realizado notables progresos. Nuestra conversación fue cándida y práctica, como es característico entre dos vecinos y compañeros de América del Norte. Nuestra conversación nos confirmó la convicción común de que existen muchos campos en que nuestros países pueden trabajar juntos y que éste es el momento de hacer más amplias y fuertes las relaciones existentes, y darles un nuevo alcance.

[Traducción del francés]

La distancia que nos separa ha dejado de ser una barrera desde hace ya mucho tiempo. Los intercambios comerciales, ténicos y humanos entre nuestros dos países, desde hace varios decenios, han estimulado el crecimiento de nuestras economías y la plenitud de vida de nuestros pueblos. Más de cien mil canadienses se dirijen a México cada año para reposar, naturalmente, pero, sobre todo, para impregnarse de esta herencia humana que, desde el tiempo de los Mayas, les han dejado civilizaciones extraordinarias. Lugares como Acapulco y Cozumel, Chichen Itza y Uxmal, artistas, músicos como Rivera, Orozco y Chávez, nos son ya familiares y, por así decirlo, intimos.

Desde su toma de posesión, en 1970, Sr. Presidente, se ha preocupado por el bienestar de sus conciudadanos, se ha esforzado porque la participación en el proceso gubernamental fuera más intensa y ha procurado de que el progreso económico fuera inseparable de la justicia social. Principios e ideales que Ud. ha querido también hacer reconocer en la escena mundial, a fin de que todas las naciones, cualquiera que sea su potencia, puedan

them, and so as to bring about greater equity in the conduct of international affairs. I can assure you, Mr. President, that Canadians are with you in the ardent hope that these aims will be reached.

[*Translation from Spanish*]

It is with these thoughts for the future of our countries working together in a relationship of new meaning and purpose that we extend to you, Sir, a very warm welcome. This special session of the Parliament of Canada is an historic occasion and it is an honour and a privilege for us to welcome you, Mr. President.

His Excellency Luis Echeverria (President of Mexico):

Madam Speaker of the Senate,

Mr. Speaker of the House of Commons:

First and foremost, I would like to thank you for the opportunity you have given me to express the points of view of the Mexican government on important matters which concern our two nations. Nothing could be more satisfactory than to speak before this House of Commons, symbol and seat of the best democratic traditions of this great country.

The main purpose of my visit to Canada is to propose to you a new stage of wide range and increasing exchanges, mutually beneficial to our two countries.

Up to now, our relations, though insufficient in number, have always been cordial. In a world conditioned by economic and political ambition, expressions of friendship are not enough to resist the pressures of the hegemonic attempts made by the strongest nations. It is necessary for us to come closer together and share experiences, increase our contacts and persevere in the defense of the theses that we both support at multilateral forums.

It is our conviction that the points we have in common in our respective political philosophies, our particular location in the world, and the complementary aspects of our economies will allow us to establish increasingly deeper bonds.

For you, as for us, democracy is a way of life. It implies absolute respect for different forms of thought. It also means respect for self-determination of peoples, coexistence and even cooperation between states with different ideologies.

Freedom is not an abstract capacity to take decisions, but a concrete possibility of implementing these decisions. In the same way in which an unjust society actually annuls all freedoms, unfair relations among peoples condemn the poorest to a virtual loss of autonomy.

The true democratic ideal calls for each man and each nation to have the means to satisfy their needs and develop their personality; to exercise effectively the rights they have as individuals, human groups and nations.

Mexico has been a frequent victim of intervention, abuse and injustice. It has learned that its national identity and sovereignty can only be based on an effort to defend its integrity before others and at the same

participar en las decisiones que les atañen, favoreciendo así una mayor equidad en la dirección de los asuntos internacionales. Puedo asegurarle, Sr. Presidente, que los canadienses desean ardientemente como Ud. la realización de estos objetivos esenciales.

[*Español*]

Con estas ideas sobre el futuro de nuestros dos países colaborando en une relación de intenciones y propósitos nuevos, le damos, Excelencia, nuestra más cordial bienvenida. Esta sesión especial del Parlamento de Canadá constituye una ocasión histórica y es para nosotros un honor y privilegio escuchar sus palabras, Sr. Presidente.

Señora Presidenta del Senado,

Señor Presidente de la Cámara de los Comunes.

Quisiera, ante todo, agradecer cumplidamente la oportunidad que se me ofrece para expresar, ante ustedes, los puntos de vista del gobierno mexicano sobre cuestiones relevantes que conciernen a nuestras dos naciones. Nada más satisfactorio que hacerlo ante esta Cámara de los Comunes, símbolo y sede de las mejores tradiciones democráticas de este gran país.

El objetivo primordial de mi visita consiste en proponerles una nueva etapa, de amplios y crecientes intercambios, mutuamente benéficos para los pueblos de Canadá y México.

Hasta ahora, las relaciones han sido siempre cordiales pero insuficientes. En un mundo condicionado por ambiciones económicas y políticas, las muestras de simpatía no bastan para resistir las presiones y las tentativas hegemónicas de los más fuertes. Es preciso aproximarnos y compartir experiencias, multiplicar contactos y persistir en la defensa de las tesis que nos identifican en los foros multilaterales.

Tenemos la convicción de que las coincidencias de nuestras respectivas filosofías políticas, nuestra peculiar ubicación en el mundo y los aspectos complementarios de nuestras economías, nos permitirán establecer nexos cada vez más profundos.

Para ustedes, como para nosotros, la democracia es un modo de vida. Implica respeto absoluto a las distintas formas de pensamiento. Significa, igualmente, respeto por la autodeterminación de los pueblos, coexistencia y aún cooperación entre Estados de diferente orientación ideológica.

Pero la libertad no es sólo una capacided abstracta para tomar decisiones, sino un poder concreto para realizarlas. Del mismo modo que una sociedad injusta anula de hecho las libertades, las relaciones inequitativas entre les pueblos condenan a los más pobres a la pérdida virtual de su autonomía.

El verdadero ideal democrático pretende que cada hombre y cada pueblo, dispongan de los medios adecuados para satisfacer sus necesidades y desarollar su personalidad; para ejercer, efectivamente, los derechos que tienen como individuos, como grupos humanos y como naciones.

México ha sido víctima frecuente de la intervención, del abuso y de la injusticia. Ha aprendido que su identidad nacional y su soberanía sólo pueden fundarse en un esfuerzo simultáneo por defender su integridad frente

time promote within the country progress with equality for all.

We are certain that a new international society is in the process of being built. Small and medium-sized countries must participate in this era of transition by renewing and strengthening their nationalistic attitude; they must also acquire new instruments to make their full development feasible.

If we have overcome the colonial mentality domestically, we should do the same in our relations with other countries. We must weigh with serenity the changes that are taking place on the world scene and act with flexibility and courage in favor of our national objectives.

The end of the cold war and of bipolarism points to a different political structure characterized by the emergence of new centers of power, by the establishment of more flexible alliances and by a greater participation on the part of developing countries in the management of world affairs.

Only dangerous fatalism could lead us to believe that the international community should be structured in the future in accordance with old systems of domination and that the only possible way of change would be to redefine spheres of influence. Such a belief would mean facing the future with a nineteenth century outlook and condemning ourselves irrevocably to dependence.

On the contrary, we believe that countries like ours are called upon to play a more significant role in the field of international relations, not only because of their rate of development, their unexploited wealth or demographic growth, but also because of the enormous possibilities of concerted action and the moral force of a behaviour which adheres to the standards of public international law.

Neither of our countries wants to arouse systematic opposition or enmity with any nation. We hope, from similar positions, to modify hemisphere relations in order to share prosperity in a better way. We realize that this option means not only basic modifications in our relations with other countries of the continent, but also a definite extension of our contacts to other areas of the world.

Canada is in a wonderful position to play a more dynamic role in this hemisphere. I wish to reiterate that my government views with pleasure the Latin American policy of Canada, especially its recent entry into various organizations of the regional system. Although we feel certain that its participation as a full member in the Organization of American States would be more fruitful, we respect its reasons for joining only as a permanent observer at this time.

Moreover, we share many of the doubts that rightly concern Canada with respect to this organization. We realize that its decisions only appeared to be democratic and that ideological intolerance frequently diverted this institution from its objectives. Mexico has invariably fought, and will continue to do so, for our regional organization to be zealously respectful of the sovereignty of

a los demás y por obtener, en lo interno, un progreso igualitario.

Tenemos la certidumbre de que en estos años se está gestando una nueva sociedad internacional. Los pequeños y los medianos países, deben actuar en esta época de transición renovando y fortaleciendo su actitud nacionalista; pertrecharse con nuevos instrumentos que hagan viable su pleno desarrollo.

Si hemos superado en lo interno la mentalidad colonial, debemos hacerlo también en nuestras relaciones con el exterior. Tenemos que ponderar, serenamente, los cambios que se están produciendo en el panorama mundial y actuar, con agilidad y valentía, en favor de nuestros objetivos nacionales.

El fin de la Guerra Fría la liquidación del bipolarismo anuncian una distinta composición política caracterizada por el surgimiento de nuevos centros de poder, por el establecimiento de alianzas más flexibles y por la mayor participación de los países en vías de desarrollo en la dirección de los asuntos mundiales.

Sólo un peligroso fatalismo podría hacernos suponer que la comunidad internacional habrá de estructurarse mañana conforme a los antiguos esquemas de dominación y que el único sentido posible del cambio es redefinir las esfras de influencia. Considerarlo así, sería enfrentar el porvenir con mentalidad del siglo pasado y condenarse, irremisiblemente, a la dependencia.

Pensamos, por el contrario, que países como los nuestros están llamados a desempeñar una función de mayor significado en el campo de las relaciones internacionales. No únicamente por razones derivadas de su ritmo de crecimiento, de sus riquezas inexpiotadas o de su crecimiento demográfico, sino también por las enormes perspectivas de una acción concertada y por la fuerza moral de una conducta apegada a las normas del derecho de gentes.

Ninguno de nuestros países pretende suscitar oposiciones sistemáticas ni enemistades con nación alguna. Aspiramos, desde posiciones semejantes, a modificar las relaciones hemisféricas en favor de una prosperidad mejor compartida. Sabemos que esta opción incluye modificaciones sustantivas de nuestras relaciones con los demás países del continente pero, también, una decidida ampliación de nuestros contactos con otras áreas del mundo.

Canadá se encuentra en magnífica situación para desempeñar un papel más dinámico en el hemisferio. Deseo reiterar el beneplácito con que mi gobierno ha seguido la política latinoamericana del Canadá, significada recientemente por su ingreso a diversos órganos del sistema regional. Aunque estamos seguros de que su plena participación en la Organización de los Estados Americanos sería más fecunda, respetamos sus razones para incorporarse, por ahora, sólo con el rango de observador permanente.

Más aún, compartimos muchas dudas que verosímilmente preocupan al Canadá respecto a esa Organización. Estamos conscientes de que, a menudo, sus decisiones sólo en apariencia fueron democráticas y de que la intolerancia ideológica, la desvió frecuentemente de sus propósitos. México ha pugnado invariablemente, y lo seguirá haciendo, porque nuestro organismo regional sea celosamente

its Member States and for economic and social cooperation to have a position of priority among its tasks.

Neo-colonial attitudes and international injustice will not decrease substantially over a short period. It will take time to overcome inertia and certain barriers. The best way to do this is by extending exchanges and unifying the positions among countries that have interests which are alike.

For years, Canada and Mexico have had similar attitudes on some of the most important questions of our time. Both our countries are concerned, for instance, about finding formulas to harmonize industrial growth with the conservation of the human environment and natural resources.

Air, water and land pollution becomes a new source of servitude when it is the result of relations with more industrialized countries. Ecological aggressions which cause serious damage to life, health and the economy are an additional load for less developed nations to bear.

Economic sovereignty is one of the expressions of political sovereignty. That is why we affirm the unalienable right of all countries to defend and exploit their basic resources. Therefore we fight for the establishment of a regime of international protection of the environment through regional and international agreements that take into account the legitimate right of States.

The desire on the part of many countries to extend the limits of the territorial sea is a growing and legitimate one. Mexico grants priority to the need to establish a zone of exclusive exploitation for coastal states.

We believe that a new maritime system to establish the rights of coastal states with fairness and precision is indispensable, in view of the present-day needs, and the nature of the conflicts that arise from the possibility that some countries have to exploit their own wealth and that of others.

I would like to give special emphasis, in the presence of this assembly, to the pleasure of my government at the growing affinity of our two countries on these subjects, and on the interest Mexico takes in the valuable precedent Canada has set by establishing a system for the protection and preservation of the maritime species that inhabit the arctic region.

The general and universally compulsory standards that would govern both rights to the sea and the protection of the environment should be included in the Charter of the Economic Rights and Duties of States which is now being drafted by a group of forty countries at the request of the United Nations.

When, at the Third United Nations Conference on Trade and Development, we proposed the adoption of this document by the international community, Mexico outlined the principles of international equity that come from the struggle of the people of the Third World and which are a basic requirement for harmonious coexistence among States.

In an interdependent world, the strategic problem for developing countries is to reorient the trend of their growing trade. We insist that it is necessary for the gen-

respetuoso de la soberanía de sus Estados miembros y porque, entre sus tareas, ocupe un lugar preponderante la coopération económica y social.

Les actitudes neocolonialistas y la injusticia internacional no se reducirán sensiblemente a corto plazo. Hay inercias y barreras que tardaremos en superar. La mejor manera de hacerlo es ampliando los intercambios y unificando las posiciones entre países con intereses semejantes.

Canadá y México han tenido, durante años actitudes similares en algunas de las cuestiones más importantes de esta época. A nuestros dos países preocupa, por ejemplo, encontrar las fórmulas que permitan armonizar el crecimiento industrial y la preservación del medio humano y de los recursos naturales.

La contaminación de la atmósfera, de las aguas y de la tierra, se convierte en una nueva servidumbre cuando es impuesta por las relaciones con países más industrializados. A las pesadas cargas que soportan los pueblos de menor desarrollo, se suma ahora la agresión ecológica que lesiona gravemente su vida, su salud y su economía.

La soberanía económica es una de las expresiones de la soberanía politica. Por eso afirmamos el derecho inalienable de todos los pueblos a la defensa y a la explotación de sus recursos básicos. Pugnamos, en consecuencia, por el establecimiento de un régimen de protección internacional al medio ambiente, conformado por acuerdos regionales y mundiales que toman en cuenta el legítimo derecho de los Estados.

Es creciente y legítima la pretensión de muchos países por extender los límites del mar territorial. México otorga una atención prioritaria a la necesidad de establecer una zona de explotación exclusiva para el Estado ribereño.

Estimamos indispensable la estructuración de un nuevo régimen marítimo que fije con equidad y precisión los derechos de los Estados ribereños, considerando las necesidades contemporáneas y la naturaleza de los conflictos que suscita la potencialidad de algunas naciones para explotar sus propias riquezas y las ajenas.

Deseo subrayar, ante esta asamblea el beneplácito con que ve mi gobierno la creciente afinidad de nuestros dos países sobre estos temas. Asimismo, el interés con que México contempla el valioso precedente sentado por Canadá al determinar un sistema de protección y preservación de las especies marítimas que habitan la región ártica.

Las normas generales y universalmente obligatorias que regirían, tanto el derecho del mar como el de la protección del medio ambiente, deberán contenerse en la Carta de los Deberes y Derechos Económicos de los Estados que ahora se formula por un grupo de cuarenta países por encomienda de las Naciones Unidas.

Al proponer en la III Conferencia sobre Comercio y Desarrollo la adopción de este documento por la comunidad internacional, México delineó aquellos principios de equidad derivados de la lucha emprendida por los pueblos del Tercer Mundo y que constituyen requisitos básicos para una convivencia armónica entre los Estados.

En un mundo interdependiente, el problema estratégico para los países en vías de desarrollo consiste en reorientar el sentido de sus crecientes intercambios económicos.

eral system of preferences, approved by UNCTAD, after painful negotiations, to be fully enforced.

Advantages in trade proportional to the varying degrees of development, are not only a valuable stimulus for the participation of our countries in the large markets, but also a means to accelerate industrialization throughout vast regions of the world and to promote domestic changes in countries that have lagged behind. That will lead to a fairer international division of labor.

The control of the State over the main economic processes is a necessary condition to maintain the autonomy of its political decisions. That is why there is a general concern to study and regulate the characteristics of foreign investment and of ways to absorb technological resources.

Given the stage of evolution of Canada and Mexico, this subject is of decisive importance. Almost simultaneously, both countries have begun systematic research on the effects of an excessive concentration of foreign capital and technology and have adopted or are about to adopt measures to reorganize the participation of these factors in their economic life.

My country's Congress has recently approved a law that promotes national investment and regulates foreign investment. This legislation reflects the different stages of our nationalistic effort. It retains old provisions under which we do not allow foreign investment in strategic spheres of the national economy. Moreover, it defines the economic activities in which foreign capital must be in the minority. It establishes the technical instruments and powers that permit the restriction, orientation or, if necessary, encouragement of capital flow to adjust it to our own objectives of development. Finally, it prevents the acquisition of Mexican enterprises that are functioning efficiently.

Another law for the registration of the transference of technology and the use and exploitation of patents and trade-marks complements our policy on this subject. Within a framework of independence we shall accept and use technology insofar as it adjusts to the aims of our economic policy. We shall try to eliminate practices or stipulations that limit our exports, prevent the development of our own technology, make production more expensive or hinder our autonomous development. In short, we want technology to be an instrument of progress, not of subjection.

There are numerous corporations in the world market that have accumulated a substantial amount of experience. The importance of the changes and scientific advances that these corporations have brought with them can find no objection. Their size is greater than that of many countries and their intervention in domestic matters is a matter of concern even to the large industrialized nations.

However, we cannot accept their actions when they are not bound by the sovereignty of the nation or when they are harmful to the real needs and aspirations of countries. We want to take advantage of their positive contributions for their own benefit and that of our popu-

Insistimos en que el sistema general de preferencias, aprobado tras penosas negociaciones por la UNCTAD, alcance pleno vigor.

Las ventajas proporcionales en el comercio según los grados de desarrollo no sólo representan un valioso estímulo para la participación de nuestros países en los grandes mercados. Lo es también para acelerar la industrialización en vastas regiones del planeta y para auspiciar cambios internos en los países rezagados que conduzcan a una más justa división internacional del trabajo.

El control del Estado sobre los principales procesos económicos es condición necesaria para mantener la autonomía de sus decisiones políticas. A ello se debe la preocupación generalizada por estudiar y regular las modalidades de la inversión extranjera y de la absorción de conocimientos tecnológicos.

En el grado de evolución de Canadá y México este tema tiene una importancia decisiva. De modo casi simultáneo, ambos países han iniciado investigaciones sistemáticas sobre los efectos de una excesiva concentración de capital y tecnología foránea, y adoptaron o están en vías de adoptar, medidas para reordenar la participación de estos factores en la vida económica.

El Congreso de la Unión de mi país ha aprobado, en días pasados, la Ley que promueve la inversión doméstica y regula las extranjeras. Esta legislación, refleja las distintas etapas de nuestro esfuerzo nacionalista. Recoge antiguas disposiciones, según las cuales no admitimos la participación extranjera en renglones estratégicos de nuestra economía. Define, además, las actividades económicas en que el capital foráneo tiene que ser minoritario. Establece los instrumentos técnicos y las facultades que permitirán restringir, orientar, o en su caso alentar, los flujos financieros para ajustarlos a nuestros propios objetivos de desarrollo. Evita, en fin, que se adquieran empresas mexicanas que estén funcionando eficientemente.

Otra ley para el registro de la transferencia de tecnología y el uso y explotación de patentes y marcas, complementa nuestra política en esta materia. Con un criterio de independencia, utilizaremos y aceptaremos la tecnología en la medida en que se ajuste a las finalidades de nuestra política económica. Procuramos eliminar prácticas o estipulaciones que limiten la exportación, impidan el desenvolvimiento de métodos propios, encarezcan la producción o signifiquen obstáculos a nuestro desarrollo autónomo. Queremos, en suma, que la tecnología sea instrumento de progreso, no método de sujeción.

Existen numerosas corporaciones en el mercado mundial que han acumulado una cuantiosa experiencia. Es inobjetable la importancia de los cambios y avances científicos que su aparición ha llevado consigo. Sus dimensiones superan las de muchos países y su intromisión en asuntos internos preocupa incluso a las grandes naciones industrializadas.

No aceptamos que su actuación quede al margen de la soberanía o vaya en detrimento de las necesidades y aspiraciones de los pueblos. Queremos aprovechar sus aportaciones positivas, en beneficio de ellas mismas y de nuestra población. No nos interesa fomentar un progreso

lation. We are not interested in fostering an apparent industrial progress that only benefits large consortiums that are not bound to our national goals.

As a country without sufficient capital resources and technological knowledge, we want foreign companies to cooperate in a process of development that has a social content and to propitiate our dynamic incorporation in world markets.

We struggle to make our progress more than a mere reflection of a metropolitan influence. Decision-making centers must remain within the nation, since to proceed otherwise would be to deny our independence and to deviate from the objectives of development. There are very few countries as well qualified as Canada to comprehend this principle which is so simple and yet so complicated for many to understand.

Mexico will give full support to any initiative that is taken to draw up an obligatory Code of conduct that will regulate the actions of the multinational corporations and establish guidelines for the domestic legislation of the nations concerned. This is a necessary and constructive task in which our two countries might well coordinate their efforts.

In our era a vigorous economic nationalism with characteristics that are different from those of previous stages has been reborn. Then, it was a matter of conquering the effective use of the fundamental rights of soveignty; of recovering ownership of land and of basic resources; of carrying out essential structural reforms that would cancel out our feudal past and open the way to the advent of an industrial society.

The changes I refer to came from popular movements, which were sometimes violent, or from the establishment of domestic policies that caused deep divisions. On implementing these, countries like ours became isolated from the community of nations and had to struggle alone.

Nationalism today, differently from yesterday, is also an internationalism. It means strengthening the bonds among peoples that have similar needs and aspirations. It represents an effort to make the interests of different and heterogeneous countries coincide and to defend them in solidarity on a world scale.

However, we know that a nationalistic stand held only abroad has no real basis. True nationalism, the nationalism that Mexico and Canada practice, is an effort to achieve social integration and coordination. This nationalism can be measured by the internal cohesion of a community, and by the degree of understanding which prevails among its people, the equality of their living conditions and their effective participation in their common tasks.

Honourable Members of Parliament,

Mr. Prime Minister:

The military and economic power of nations is not the only factor that influences the course of history. Moral authority, creative intelligence, the capacity for change, and the political ability of small and medium-sized countries are the source of some of the great transformations of humanity.

industrial aparente que sólo favorezca a grandes consorcios desvinculados de nuestras metas nacionales.

Como país con insuficientes recursos de capital y conocimientos tecnológicos, deseamos que las empresas extranjeras cooperen en un proceso de desarrollo con sentido social y que propicien nuestra incorporación dinámica a los mercados mundiales.

Pugnamos porque nuestro progreso no sea mero reflejo de una influencia metropolitana. Los centros de decisión deben permanecer en el ámbito nacional. Lo opuesto conduce a la negación de la independencia y a la desviación de los objetivos del desarrollo. Pocos países estarán tan capacitados como Canadá para entender este principio tan simple y que, al propio tiempo, resulta tan complicado para muchos.

México apoyaría, resueltamente, cualquier iniciativa para la elaboración de un Código de observancia obligatoria que regule la actuación de las empresas transnacionales y que sirva como pauta a las legislaciones internas de los Estados. He aquí una tarea necesaria y constructiva en la que nuestros dos países podrían colaborar de manera coordinada.

Renace en nuestra época un vigoroso nacionalismo económico con caracteres distintos al de etapas anteriores. Se trataba, entonces, de conquistar el uso efectivo de los derechos fundamentales que derivan de la soberanía; de reivindicar la propiedad de la tierra y de los recursos básicos; de efectuar reformas indispensables de estructura que cancelaran un pasado feudal y abrieran el camino a la sociedad industrial.

Los cambios a que me refiero surgieron de movimientos populares, a menudo violentos, o de definiciones políticas internas que causaron hondas divisiones. Al ejecutarlas, países como el nuestro, se vieron aislados de la comunidad de naciones y hubieron de luchar en la soledad.

El nacionalismo de hoy, a diferencia del de ayer, es también un internacionalismo. Supone un fortalecimiento de vínculos entre pueblos que tienen semejantes necesidades y aspiraciones. Representa un esfuerzo por hacer coincidentes los intereses de diversos y heterogéneos países y por defender los solidariamente a escala mundial.

Sabemos, además, que una afirmación nacionalista formulada exclusivamente hacia el exterior, carece de sustento real. El verdadero nacionalismo; el que México y Canadá practican, es un esfuerzo de integración y de coordinación social. Su medida es el grado de cohesión interna de una comunidad, el entendimiento entre sus integrantes, las condiciones de igualdad en que viven y su incorporación efectiva en las tareas comunes.

Honorables Miembros del Parlamento:

El poderío militar y económico de las naciones no son los únicos factores que influyen en el curso de la historia. La autoridad moral, la inteligencia creadora, la capacidad revolucionaria y la determinación política de pequeños y medianos países están en el origen de algunas de las grandes transformaciones de la humanidad.

Traditional structures give way under the impact of new ideas and new realities. The duty of all nations, but especially of young nations like Canada and Mexico, is to be aware of the direction of the change and fight for the creation of a society that satisfies the universal aspirations of a peace that is the expression of social justice, harmony and cooperation among all the peoples of the world.

In thanking you in the name of Mexico for the hospitality I am enjoying, I express my wishes for the continuation of the friendship that unites our nations and for the preservation of the proud Canadian spirit which served to conquer this enormous territory and allows your country to advance today along the road of democracy and shared well-being.

[*Translation from French*]

Hon. Lucien Lamoureux (Speaker of the House of Commons): I invite Madam Speaker of the Senate to thank the President of Mexico.

[*English*]

Hon. Muriel McQueen Fergusson (Speaker of the Senate): Mr. President, Mr. Prime Minister, Mr. Speaker, Your Excellencies, Senators, Members of the House of Commons, ladies and gentlemen: It is my privilege to say on behalf of my colleagues in the Parliament of Canada that we warmly appreciate this opportunity of hearing at a joint meeting your thoughtful and thought-provoking address. I assure you that not only the people who have heard it today but many thousands of people throughout Canada will be given an opportunity to read it and will be very much enlightened by it.

Your Excellency, you will be aware that joint meetings of our two Houses are not frequent. It is, in fact, only a most unusual and significant occasion that brings the Senate and the House of Commons together as we are today. However, what occasion could be more appropriate for such a meeting than the visit of the distinguished President of our North American neighbour and friend, Mexico.

In the unsettled world of today an event such as this underlines the importance of friendly exchanges between countries, particularly between countries which are linked so closely as our two countries are by inseparable bonds of history and geography. In spite of the geographical proximity of our countries, it is an unfortunate fact that Canadians generally do not know enough about your country, and I strongly suspect that to most of your fellow countrymen Canada is equally unknown. The expansion of tourism is increasing contacts, however, for I am told that in 1971, the last year for which I could secure figures, 15,000 Mexicans visited Canada and 101,000 Canadians visited Mexico.

Returning Canadians tell us there are a number of excellent reasons why our countrymen are spending more and more time in your country. They say that your people are warm and friendly, your climate is salubrious, your scenery is celestial, your food is fire and your firewater is fuel for the blaze. Just to hear of it makes a woman of my age feel young again.

Let us hope that this memorable occasion of your visit to Canada will be an important step toward pro-

Las estructuras tradicionales ceden bajo el impacto de nuevas ideas y de nuevas realidades. El deber de todas las naciones, pero especialmente de jóvenes naciones como Canadá y Mexico, es advertir el sentido del cambio y propugnar la creación de una sociedad que satisfaga las aspiraciones universales de una paz que sea expresión de la justicia social y de la coopéración entre todos los pueblos de la tierra.

Al agradecer, en nombre de México la hospitalidad de que disfruto, hago votos por la amistad que une a nuestras naciones y porque Canadá mantenga siempre el altivo espiritu con que conquistó su enorme territorio y que le permite, ahora, avanzar por el camino de la democracia y del bienestar compartido.

[*Traducción del francés*]

El Excmo. Sr. Lucien Lamoureux (Presidente de la Cámara de los Comunes): Invito a la Señora Presidente del Senado a que dé las gracias al Presidente de México.

[*Traducción del inglés*]

La Excma. Sra. Muriel McQueen Fergusson (Presidente del Senado): Sr. Presidente, Sr. Primer Ministro, Sr. Presidente de la Cámara, Sus Excelencias, Senadores, Miembros de la Cámara de los Comunes, señoras y señores. Es para mí un honor hablar en nombre de mis colegas del Parlamento de Canadá y hacer saber cuán calurosamente apreciamos esta oportunidad de escuchar sus palabras consideradas y reflexivas en esta reunión conjunta. Puedo asegurarle que, no sólo quienes han podido escucharle hoy, sino muchos millares de canadienses, tendrán la oportunidad de leerlas y apreciarlas.

Su Excelencia sabe que las reuniones conjuntas de ambas Cámaras no son frecuentes. Tan sólo en ocasiones muy significativas y poco corrientes, como la de hoy, el Senado y la Cámara de los Comunes se reúnen juntas. En verdad, qué ocasión podría ser máa adecuada para tal reunión que la visita del distinguido Presidente de nuestro vecino y amigo de América del Norte, México.

En un mundo inestable como el de hoy, este hecho subraya la importancia de intercambios amistosos entre los países, especialmente entre países tan estrechamente vinculados como lo están nuestros dos países por lazos históricos y geográficos inseparables. A pesar de la proximidad geográfica de nuestros países, es lamentable el hecho de que, por lo general, los canadienses no conocen bastante el país de ustedes, y tempo que, para la mayoría de sus paisanos, Canadá es también poco conocido. Sin embargo, la expansión del turismo está haciendo mayores estos contactos y las cifras de 1971, año del que pude encontrar estadísticas, muestran que 15.000 mexicanos visitaron Canadá y que 101,000 canadienses visitaron México.

Los canadienses que vuelven de su país nos dicen que existen numerosas y excelentes razones por las que nuestros compatriotas visitan cada vez más su país. Dicen que su pueblo es afectuoso y amistoso, el clima saludable, los paisajes celestiales, la comida de fuego y el aguardiente llama viva. Tan sólo oir esto me hace sentir joven de nuevo.

Esperemos que la memorable ocasión de su visita a Canadá será un paso importante en el fomento de rela-

moting contacts at all levels between Mexico and Canada and toward developing our mutual understanding and interests.

[*Translation from Spanish*]

Mr. President, your presence and that of Her Excellency has been a great honor for us.

[*English*]

We are also honoured on this important occasion by the presence in this chamber of the distinguished members of your official party. May I say to you, Mr. President, and to all members of your party that we are very pleased to have you with us today.

Mr. President, my colleagues in the Senate and the House of Commons also would like to express to you our most sincere thanks for the outstanding address you have just given to us. You have deeply impressed us with the eloquence with which you have spoken of longstanding ties and things that might happen in the future. It is clear to all of us here that, even with diversity of languages, our two countries and peoples have many things in common.

[*Translation from French*]

Your visit and your words are drawing closer the bonds between our two countries.

[*English*]

The enthusiastic acclaim with which my colleagues received your message of friendship and good will must surely convince you of the respect and affection we have for you and for your great country. We extend to you our warmest wishes for the continued success of your visit in Canada and for the balance of the extended tour you are taking. When you return home, Mr. President, we would ask you to convey to the members of your Congress the most sincere good wishes from my colleagues in both Houses of the Canadian parliament.

Mr. Speaker: Members of the House and Senators, l'assemblée est levée. We shall now adjourn.

ciones a todos los niveles entre México y Canadá, así como un mejor entendimiento de nuestros intereses mutuos.

[*Español*]

Senor Presidente, la presencia de Su Excelencia y de la Senora de Echeverria nos hizo un gran honor.

[*Traducción del inglés*]

En este acontecimiento tan importante nos honra, asimismo, la presencia en esta cámara de los distinguidos miembros de su comitiva oficial. Sr. Presidente, permítame decir a Ud. y a todos los miembros de su comitiva que nos es un gran placer tenerles con nosotros en el día de hoy.

Sr. Presidente, mis colegas en el Senado y en la Cámara de los Comunes quisieran igualmente expresarle a Ud. nuestras gracias más sinceras por el discurso tan sobresaliente que nos acaba de pronunciar. Nos ha impresionado sumamente con la elocuencia con que ha hablado de los vínculos de muchos años y de cosas que pudieran ocurrir en el futuro. Nos es muy claro a todos nosotros que aun con la diferencia de idiomas, nuestros dos países y pueblos tienen muchas cosas en común.

[*Traducción del francés*]

Su visita y sus palabras sirven para hacer más estrechos los vínculos que existen entre nuestros dos países.

[*Traducción del inglés*]

El aplauso tan caluroso con el que mis colegas han recibido su mensaje de amistad y buena voluntad, debe seguramente convencerle del aprecio y afecto que sentimos por Ud. y su gran país. Le hacemos llegar nuestros más sinceros votos por el éxito continuo de su visita a Canadá y el resto de su largo viaje. A su regreso a su país, Sr. Presidente, le rogamos extienda a los miembros del Congreso los saludos más sinceros de mis colegas de ambas Cámaras del Parlamento Canadiense.

Sr. Presidente: Miembros de la Cámara y Senadores, se levanta la sesión.

HOUSE OF COMMONS

Monday, April 2, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

FOOD PRICES

First report of Special Committee on Trends in Food Prices—Mr. Cullen.

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

* * *

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF KAREN MAGNUSSEN, WORLD FIGURE SKATING CHAMPION

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am delighted to draw to the attention of all hon. members the presence in your gallery of Karen Magnussen, the figure skating champion of the world.

Some hon. Members: Hear, hear!

Mr. Trudeau: I think all Canadians shared the thrill and excitement of Karen's dazzling performance recently in Bratislava where she unquestionably became number one. It was the culmination of 14 years of skilled effort, determination and remarkable courage. While she now may belong to the world, Canadians at home claim her as their newest and most charming goodwill ambassador. With her radiance, her grace and her obvious enjoyment of life, she will leave her mark wherever she goes. We wish her all future success.

Some hon. Members: Hear, hear!

* * *

ENERGY

TRANSPORTATION OF ALASKAN OIL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I rise on a matter of pressing and urgent necessity under Standing Order 43 to ask unanimous consent of the House to act on a matter of urgency concerning the decision announced today by the United States Supreme Court wherein that court refused to overturn a lower court decision blocking the trans-Alaska pipeline project and because there is known opposition to the tanker route in Congress. I therefore move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That this House immediately strike a special parliamentary committee consisting of representatives of all parties from the Standing Committee on External Affairs and National Defence, the committee on environment, the Standing Committee on Indian Affairs and Northern Development and the Standing Committee on National Resources and Public Works to determine ways and means to respond to the present situation and to submit its recommendation to this House within 30 sitting days so that the Canadian position will be clarified, both as to opposition and regarding alternatives.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

AIRPORTS

VANCOUVER INTERNATIONAL—TABLING OF REPORT OF HEARING OFFICER UNDER EXPROPRIATION ACT CONCERNING CORA BROWN AND McDONALD SUBDIVISIONS

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, pursuant to Standing Order 41(2) I would like to lay on the table the report of Mr. Isidor M. Wolfe, the hearing officer in the matter of the Expropriation Act with reference to the Cora Brown and McDonald subdivisions on Sea Island in the municipality of Richmond in the province of British Columbia.

[*Translation*]

Mr. Speaker, the report is being translated and will be available in French early next week.

* * *

[*English*]

COMMUNICATIONS

BELL CANADA RATE INCREASES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. David Lewis (York South): Mr. Speaker, I wish to move a motion under Standing Order 43 on a matter of urgent business arising out of the decision of the Canadian Transport Commission last Friday to give Bell Canada almost all that it requested in its application A. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instructs the government to suspend immediately the application of the rate increases granted Bell Canada by the

Canadian Transport Commission and to give favourable consideration to rescinding the said decision.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

EXTERNAL AFFAIRS

END OF UNITED STATES MILITARY INVOLVEMENT IN VIET NAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, under Standing Order 43 I move, seconded by the hon. member for Montreal-Bourassa (Mr. Trudel):

That this House recognize that the United States has ended its military involvement in the long and costly Viet Nam war, that we applaud the conclusion of the Paris agreements that made this possible and that we endorse wholeheartedly the call of President Nixon for unity in the search for world peace.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

ENERGY

TRANSPORTATION OF ALASKAN OIL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I ask the unanimous consent of the House to present a motion of urgent and pressing necessity under Standing Order 43. The matter deals with the decision of the Supreme Court of the United States, which was announced today and which will affect profoundly the future of the Canadian north and the west coast of Canada. Therefore I move, seconded by the hon. member for Burnaby-Seymour (Mr. Nelson):

That this House urges the government to enter immediately into meaningful discussion with the U.S. authorities and the government of B.C. on the subject of transporting Alaska oil through Canadian territory in such a way that our social, environmental and economic interests are fully protected.

[Mr. Lewis.]

Mr. Speaker: The House has heard the motion proposed by the hon. member for Kootenay West. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

OFFICIAL LANGUAGES

STATEMENT BY COMMISSIONER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, pursuant to Standing Order 43 I have a motion which I consider to be of pressing and urgent necessity. It arises out of an unfortunate statement made on the weekend in Washington, D.C., and reported in the press today, by the Commissioner of Official Languages, Mr. Keith Spicer. I move, seconded by the hon. member for Palliser (Mr. Schumacher):

• (1410)

That this House reprimand Mr. Keith Spicer, Commissioner of Official Languages, for his reference to Quebec's English-speaking population as "Westmount Rhodesians" and furthermore, because of such bigotry on the part of Mr. Spicer, that this House request his resignation.

Mr. Speaker: Order, please. The Chair has very serious reservations about the motion proposed by the hon. member on the ground that it includes, in my view, language which is not parliamentary in the sense that it contains a serious charge against a senior official of parliament who is not here to defend himself. I should like to hold the motion under advisement before I put it to the House.

These motions are of importance but hon. members cannot simply assume that because they bring a motion before the House it will be accepted automatically from a procedural standpoint.

Some hon. Members: Hear, hear!

Mr. Speaker: The Chair has to reserve its right to determine whether a motion of this kind ought to be put to the House and hon. members asked to decide whether there should be a debate. For these reasons I should like to hold the matter under advisement.

* * *

IMPEACHMENT BILL

ESTABLISHMENT OF RIGHT, PROVISION OF RULES OF PROCEDURE AND PENALTY

Mr. G. W. Baldwin (Peace River) moved for leave to introduce Bill C-168, respecting impeachment.

Some hon. Members: Explain.

Mr. Baldwin: Mr. Speaker, the incidence of illegal and improper actions by members of the government has made it necessary to bring forward this measure to declare that the right of impeachment to punish those in high places still exists, to establish rules for procedure, and to fix the penalty as dismissal from office and continuing ineligibility for two years, with no pardon.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—PENSION FUNDS

Question No. 17—**Mr. Knowles (Winnipeg North Centre):**

1. What was the total amount of money on the books of the pension funds of the Canadian National Railways as at (a) December 31, 1970 (b) December 31, 1971 (c) December 31, 1972?

2. What rate of interest was earned on these funds during (a) 1970 (b) 1971 (c) 1972?

3. What amount of interest was credited to these funds during the years ending (a) December 31, 1970 (b) December 31, 1971 (c) December 31, 1972?

4. What amount of money was added to these funds from employee contributions during the years ending (a) December 31, 1970 (b) December 31, 1971 (c) December 31, 1972?

5. What amount of money was added to these funds as regular or current contributions by the Canadian National Railways during the years ending (a) December 31, 1970 (b) December 31, 1971 (c) December 31, 1972?

6. What amount of money was added to these funds in any other way by the Canadian National Railways during the years ending (a) December 31, 1970 (b) December 31, 1971 (c) December 31, 1972?

7. Is money owed to the above funds by the Canadian National Railways and, if so, how much and what arrangements are being made to meet such debt?

8. What was the total amount paid out of the above funds in pensions during the years ending (a) Dec. 31, 1970 (b) Dec. 31, 1971 (c) Dec. 31, 1972?

Hon. Jean Marchand (Minister of Transport): The Management of the Canadian National Railways advises as follows: 1. The total amounts of the investments, cash and other assets in the books of the Pension Trust Funds were: As at December 31, 1970, $818,203,051; As at December 31, 1971, $870,758,014; As at December 31, 1972, $950,613,245.

2. To calculate the yield we have used the Statistics Canada formula and the information requested in Parts (1) and (3). Under this formula, the investment is deemed to be: Opening Investments etc., plus closing Investments, etc. less earnings. On this basis, the yield is: 1970, 3.05 per cent; 1971, 5.55 per cent; 1972, 7.00 per cent.

3. Net earnings on investments of the Pension Trust Funds were: year ended December 31, 1970, $23,984,003; year ended December 31, 1971, $45,103,796; year ended December 31, 1972, $60,803,818.

4. The amount of money added to these funds from employees' contributions was:

Year Ended	Employees' Contributions	Refunds	Net
	$	$	$
31 December 1970	29,883,023	4,533,904	25,349,119
31 December 1971	36,848,878	6,196,345	30,652,533
31 December 1972	40,344,008	4,597,360	35,746,648

5. The amount added to these funds as regular or current contributions by Canadian National Railways was: year ended December 31, 1970, $32,634,760; year ended December 31, 1971, $39,494,641; year ended December 31, 1972, $49,144,802.

6. Payments by Canadian National Railways against the Unfunded Liabilities in accordance with the Pensions Benefits Standards Act: year ended December 31, 1970, $600,152; year ended December 31, 1971, $2,326,714; year ended December 31, 1972, $4,579,425.

7. As at December 31, 1972 Canadian National Railways owed the fund $2,273,543. This represents the normal monthly clearance paid off in January, 1973 arising from Company and employee contributions less pensions paid and refunds.

8. Total amounts of the pensions paid out of the Pension Trust Fund were: year ended December 31, 1970, $53,714,534; year ended December 31, 1971, $65,022,721; year ended December 31, 1972, $70,419,462.

MARITIME COMMAND—FUNDING DDH-280 PROGRAM

Question No. 206—**Mr. Forrestall:**

1. To what dollar levels has primary and secondary funding carried the DDH-280 construction programme as of December 31, 1972?

2. What is the current anticipated total cost to the Canadian taxpayer for the four DDH-280 turned over after sea trials with full armament and spares to the Commander, Maritime Command for operational purposes for which they were designed?

3. What accounting does the Minister of Supply and Services give to the Canadian people for the acceleration in total cost of this programme?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Defence and Supply and Services as follows: 1. As of 31 December, 1972, $221,900,000 has been expended of the Capital program, and $33,000,000 on the secondary, or related, program.

2. The capital cost of $252,000,000 reported to the Standing Committee on External Affairs and National Defence on 19 April, 1972, is still valid. The related costs, which were reported at the same time, are now estimated at $43,900,000 instead of $42,270,000. The $1,630,000 increase is attributable to an increase in the development costs of the Sea Sparrow missile. This represents the proportion which is chargeable as a related cost to the DDH-280 program, and it includes the additional costs of evaluating the missile by means of test firings on a suitably instrumented range. This missile trial phase will not occur until

well after the ships have been put through normal sea trials and turned over to the Commander, Maritime Command.

3. The Department of Supply and Services in its contracting activities responds to the needs specified by departmental clients.

The Minister of Supply and Services gives an accounting of his responsibilities to the Canadian people when he reports each year to the Standing Committee on Miscellaneous Estimates for the funds requested from Parliament for the next fiscal year.

SCIENTIFIC RESEARCH AND DEVELOPMENT ACTIVITIES

Question No. 250—**Mr. Andre:**

1. How many full-time employees of the departments and agencies of the government are now engaged in scientific research and development activities?

2. How many full-time employees of the departments and agencies of the government were engaged in scientific research and development activities on September 1, 1972?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Science and Technology and Statistics Canada as follows: 1. The data for this question is presently being gathered and will be available sometime in September 1973.

2. The following table provides data on the number of full-time employees of the departments and agencies of the federal government engaged in scientific research and development activities as of September 1, 1971. Data for September 1, 1972 are not yet available.

Personnel[1] Engaged in Scientific Activities
Fiscal Year April 1/71 to March 31/72

Category	R & D	Related Scientific Activities	Total
		full-time equivalent	
Executive	41	14	55
Scientific and professional	4,933	1,601	6,534
Administrative and foreign service	530	273	803
Technical	5,537	3,600	9,137
Administrative support	2,048	1,830	3,878
Operational	3,660	863	4,523
Total	16,749	8,181	24,930[2]

[1]Excluding military personnel.
[2]Of the 24,930 full-time employees, 22,947 were permanent staff and 1,983 were term, casual or seasonal employees.

CONSTRUCTION OF NEW TORONTO AIRPORT

Question No. 266—**Mr. Stackhouse:**

Has the government decided whether or not to proceed with constructing the proposed new Toronto airport, and, if not, on what date can a final decision on this matter be expected?

Hon. Jean Marchand (Minister of Transport): The Government of Canada has confirmed the expropriation of the land for the new Toronto airport at Pickering. The Government has also announced that an Examination Board to advise on the type and timing of the facilities required will be established, to report within twelve months. We have stated. however, that construction will not begin until this Board has reported, and also that arrangements are being made for those residents who wish to continue in occupation to do so at a nominal rent until December 31, 1974.

STATUS OF WOMEN COMMISSION—HUMAN RIGHTS PROGRAM

Question No. 292—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that a federal Human Rights Commission be set up that would (a) be directly responsible to Parliament, (b) have power to investigate the administration of human rights legislation as well as the power to enforce the law by laying charges and prosecuting offenders, (c) include within the organization for a period of seven to ten years a division dealing specifically with the protection of women's rights, and (d) suggest changes in human rights legislation and promote widespread respect for human rights?

Hon. John C. Munro (Minister of Labour): The Department of Justice, together with the Department of the Secretary of State, has been giving serious consideration to the creation of a federal organization that would concern itself with the human rights of all Canadians, not only women.

STATUS OF WOMEN COMMISSION—ASSESSMENT OF VOLUNTEER EXPERIENCES IN EVALUATING JOB QUALIFICATIONS

Question No. 293—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Federal government include in its selection standards for appointment to its positions the assessment of volunteer experience in evaluating the qualifications of applicants?

Hon. John C. Munro (Minister of Labour): I have been given the following information by the Public Service Commission. This recommendation has been implemented as follows: 1. On November 4, 1971 a directive was issued by the Public Service Commission to staffing officers in all government departments to include an assessment of relevant volunteer experience in evaluating the qualifications of job applicants.

2. PSC application forms have been amended accordingly to provide ample space for inclusion of a description of volunteer work experience.

3. All PSC selection standards now provide for the assessment of skills and abilities developed through education, training, paid work experience and volunteer work experience. In addition, the subject of voluntary experience has been incoporated as a curriculum item by the Commission on its special training program for personnel administrators. The Commission's new Data Stream guide also reminds employees to include relevant volunteer community affairs and part-time work experience, so that this information can be coded on an individual's data stream record.

STATUS OF WOMEN COMMISSION—EDUCATIONAL COURSES

Question No. 294—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government (a) provide expanded, comprehensive courses for all public officials and employees and their spouses, working with Indians and Eskimos, to familiarize them with the cultures and traditions of the native people, including training in the native languages; (b) make available to Indian and Eskimo women education courses to provide at least functional literacy in either French or English; (c) encourage native women to participate in school planning and programming, and to serve on school advisory committees; (d) where it is not already being done, train native women as teachers and teachers' aides; (e) provide that teachers' colleges give special training courses in the instruction of English or French as a second language to Indians and Eskimos; (f) make sure that teachers' colleges provide courses in Indian and Eskimo culture, including training in the native languages for teachers planning to work with native people; and (g) make every effort to train Indians and Eskimos to provide the educational services in Indian and Eskimo communities now being performed by non-Indian and non-Eskimo public servants?

Hon. John C. Munro (Minister of Labour): (a) New employees entering the Department of Indian Affairs and Northern Development are given orientation and training concerning native cultures. There are 150 Indian dialects and 25 Eskimo dialects which create obvious difficulties. However, an increase in the number of Indian employees who have fluency in a major Indian language has alleviated the situation. Many courses are now made available through the education departments and universities.

(b) The Department of Indian Affairs and Northern Development conducts a variety of courses in French and English for both Indian and Eskimo women. Literacy programs for women working outside the home are organized in conjunction with the Canada Manpower Assistance Plan. Courses are also conducted in the evenings on reserve and in the Northern settlements for women in the home.

(c) The Department of Indian Affairs and Northern Development endorses the recommendation that native women participate in school planning and program. A number of school committees have been appointed to date by Band Councils and both women and men serve on these boards. In many regions, Indian women take an active part in parent/teacher association and home and school work association.

(d) Various programs are available to Indian women interested in becoming teachers' aides. One of the training programs is in Manitoba where Indian women are being trained as aides to Kindergarten teachers. In 1969-70, the last year for which we have accurate figures, 26 Indian women were trained as kindergarten aides in the Manitoba Program. All of the trainees were given appointments. Similar programs are available in other regions and the knowledge of the native language which these people have is extremely valuable in enabling closer communication between the school, the pupils and the community.

While the Department is not a teaching college as such, it has with the assistance of Canadian Universities and the general public, encouraged the development of programs similar to the IMPACTE program at Brandon University.

(e) Various summer courses and training programs are conducted at Universities for teachers who are involved in the instruction of English and French as a second language. In Ontario for example summer courses were held in 1970 at the University of Western Ontario and at Trent University, and full year courses was offered at the University of Alberta and the University of Manitoba in their teaching program.

As teacher colleges come under the jurisdiction of the provincial government, we can endorse this recommendation and encourage special courses in this regard.

(f) Representatives from this Department have made contact with the Canadian Teachers' Federation and Provincial Teachers' Federation with a view to increasing the interest of the teaching profession as a whole in the Native cultures.

Universities right across Canada have developed extension courses in Indian and Eskimo Culture for persons interested in teaching Indian children. In many cases, Indians act as resource persons. These courses include not only aspects of the culture, but also the social and economic background so that the teachers of Indian students become a provincial responsibility.

We will continue to provide an increase in special training for teachers of Indian students in federal schools and, by agreement with the provincial governments, insist that special training and special education be given to the teachers of Indian students who become a provincial responsibility.

(g) In recent years several Indian people have assumed administrative positions in education with the department and it has helped to increase the number of Indian and Eskimo people providing educational services to Indian and Eskimo communities.

STATUS OF WOMEN COMMISSION—MANAGEMENT TRAINEE PROGRAMS

Question No. 295—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government, in co-operation with the territories ensure that management training programs in the operation of co-operatives and small business enterprises be made available to native women as well as to men and be expanded to fit the growing needs of the northern communities?

Hon. John C. Munro (Minister of Labour): The Department of Indian Affairs and Northern Development: 1) works through provincial agencies for co-operatives, where such are set up, by supporting their services and supplementing such when necessary; 2) arranges for service contracts if provincial services are not available; 3) provides assistance directly when no other source of services are available; 4) provides co-operative education and training facilities where necessary.

In the Northwest Territories management training programs in the operation of co-operatives and small business enterprises are, and always have been, available to native women as well as men and every effort is being made to expand such programs to fit the growing needs of native communities.

In the Yukon Territory the first phase of a small business management course was instituted in February 1972. The course was sponsored by the Yukon Vocational Training Centre and financial assistance received from Manpower and this department. This first 5-month phase consisted of upgrading the candidates to the grade 10 level via group sessions and visits by community members in government, legal and commercial areas. Women as well as men and husband/wife teams participated and 50 percent of the initial course enrolment was native women. A second five-month course began in September 1972 and 60 percent of the people expected to complete the course are women.

STATUS OF WOMEN COMMISSION—PROGRAMS UNDER WHICH ESKIMOS AND INDIANS ARE BROUGHT SOUTH ON LEARNING TRIPS

Question No. 296—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government in co-operation with the territories, include individual native women, as well as couples, in the program under which Eskimos and Indians are brought south on learning trips?

Hon. John C. Munro (Minister of Labour): The federal government, in co-operation with the Territories, has always included individual native women as well as couples in the program under which Eskimos and Indians are brought south on learning trips. One of the first was a project entitled "Southern Exposure" under which a married Eskimo couple elected by the people from each of the settlements in Arctic Quebec visited many parts of southern Canada, and this practice has been carried on by the Northwest Territories Government with considerable success. The Northwest Territories has sponsored on several occasions groups of native ladies comprised of representatives from various northern communities to attend the Voice of Native Women conferences in Alberta and included in these projects were special educational tours. They also make a regular grant to the Women's Institute in order that they may retain a person full-time in the Territories. The Northwest Territories will shortly be sponsoring a conference of 20 women from all parts of the north in Yellowknife prior to their going to Vancouver for a Women's Institute meeting and related educational tours.

STATUS OF WOMEN COMMISSION—RESIDENTIAL REQUIREMENTS

Question No. 297—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Canadian Citizenship Act be amended so that there is no difference between the residence requirements for the acquisition of Canadian citizenship by an alien husband and an alien wife of a Canadian citizen?

Hon. John C. Munro (Minister of Labour): The recommendation of the Royal Commission on the Status of Women to the Canadian Citizenship Act so that there is no difference between the residence requirements for the acquisition of Canadian citizenship by an alien husband and an alien wife of a Canadian citizen, has been sympathetically considered and opportunity for discussion will be given members of the House at the time the new citizenship bill or major amendments to the current Act are introduced.

STATUS OF WOMEN COMMISSION—STATUS OF CHILD BORN OUTSIDE CANADA

Question No. 298—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that sections 4 and 5 of the Canadian Citizenship Act be amended to provide that a child born outside Canada is a natural-born Canadian if either of his parents is a Canadian citizen?

Hon. John C. Munro (Minister of Labour): The recommendation of the Royal Commission on the Status of Women to amend sections 4 and 5 of the Canadian Citizenship Act to provide that a child born outside Canada is a natural-born Canadian if either of his parents is a Canadian citizen, has been sympathetically considered and opportunity for discussion will be given members of the House shortly at the time the new citizenship bill or major amendments to the current Act are introduced.

STATUS OF WOMEN COMMISSION—RECOMMENDATION CONCERNING CITIZENSHIP ACT

Question No. 299—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Canadian Citizenship Act be amended so that either citizen-parent may apply for the naturalized citizenship of a minor child?

Hon. John C. Munro (Minister of Labour): The recommendation of the Royal Commission on the Status of Women that the Canadian Citizenship Act be amended so that either citizen-parent may apply for the naturalized citizenship of a minor child, has been sympathetically considered and opportunity for discussion will be given Members of the House shortly at the time the new Citizenship Bill or major amendments to the current Act are introduced.

STATUS OF WOMEN COMMISSION—RECOMMENDATIONS CONCERNING CITIZENSHIP ACT

Question No. 300—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that section 11(2) of the Canadian Citizenship Act be amended so that, in the case of joint adoption the child may be granted Canadian citizenship if either of the adopting parents is a Canadian citizen.

Hon. John C. Munro (Minister of Labour): The recommendation of the Royal Commission on the Status of Women to amend section 11(2) of the Canadian Citizenship Act so that, in the case of joint adoption, the child may be granted Canadian citizenship if either of the adopting parents is a Canadian citizen, has been sympathetically considered and opportunity for discussion will be given Members of the House at the time the new Citizenship Bill or major amendments to the current Act are introduced.

STATUS OF WOMEN COMMISSION—SECTION 164(1)(C) OF CRIMINAL CODE

Question No. 301—**Mr. Howard:**

What action has been taken with the recommendations of the Royal Commission on the Status of Women that section 164(1)(c) of the Criminal Code be repealed?

Hon. John C. Munro (Minister of Labour): Paragraph 164(1)(c) (which in the Revised Statutes became paragraph 175(1)(c)) of the Criminal Code was repealed by the Criminal Law Amendment Act, S.C. 1972, chapter 13, section 12 which came into force July 1, 1972.

STATUS OF WOMEN COMMISSION—SECTION 164(1)(A) OF CRIMINAL CODE

Question No. 302—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that section 164(1)(a) of the Criminal Code be repealed?

Hon. John C. Munro (Minister of Labour): Paragraph 164(1)(a) (which in the Revised Statutes became paragraph 175(1)(a)) of the Criminal Code was repealed by the Criminal Law Amendment Act, S.C. 1972, chapter 13, section 12 which came into force July 1, 1972.

STATUS OF WOMEN COMMISSION—DELETION OF WORDS FROM CRIMINAL CODE

Question No. 303—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the words "of previously chaste character" be deleted from all the sections of the Criminal Code?

Hon. John C. Munro (Minister of Labour): The Minister of Justice agrees in principle that the words "of previously chaste character" should be deleted from the Criminal Code so that the character of the victim would cease to be an element of an offence. However, as the proposal represents a new approach to criminal law, it is essential that it be thoroughly studied by the Law Reform Commission and by the Department of Justice before any specific amendment is proposed.

STATUS OF WOMEN COMMISSION—PROTECTION FROM SEXUAL ABUSE

Question No. 304—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Criminal Code be amended to extend protection from sexual abuse to all young people, male and female, and protection to everyone from sexual exploitation either by false representation, use of force, threat, or the abuse of authority?

Hon. John C. Munro (Minister of Labour): The Minister of Justice agrees in principle that the Criminal Code should protect all young people from sexual abuse and protect everyone from sexual exploitation. However, as the proposals represent a new approach to criminal law, it is essential that they be thoroughly studied by the Law Reform Commission and by the Department before any specific amendments are proposed.

STATUS OF WOMEN COMMISSION—AMENDMENT OF SUBSECTION (3) OF SECTION 23, CRIMINAL CODE

Question No. 305—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that subsection (3) of section 23 of the Criminal Code be amended to apply to both spouses?

Hon. John C. Munro (Minister of Labour): This proposed amendment was referred to the Conference of Commissioners on Uniformity of Legislation in 1971 who recommended that subsection 23(3) of the Criminal Code be repealed. Accordingly the Minister of Justice is prepared to recommend the repeal of this section the next time that general amendments to the Criminal Code are being considered by the government.

STATUS OF WOMEN COMMISSION—ASSIGNMENT OF FEMALE INSTEAD OF MALE POLICE OFFICERS

Question No. 306—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government whenever possible, assign female instead of male police officers to deal with women taken into custody?

Hon. John C. Munro (Minister of Labour): The Royal Canadian Mounted Police has traditionally recognized the need for special consideration of females taken into custody as it pertains to their protection, privacy, modesty and hygiene. Accordingly, either professional matrons or women acting in a matron capacity are utilized whenever a female is taken into custody. The only exception to this would be if emergencies or isolation should dictate otherwise. The feasibility of engaging female police officers to perform these and other duties is under active consideration.

STATUS OF WOMEN COMMISSION—ELIMINATION OF ALL PROVISIONS WHICH DISCRIMINATE ON BASIS OF SEX OR RELIGION

Question No. 307—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal Prisons and Reformatories Act be revised to eliminate all provisions that discriminate on the basis of sex or religion?

Hon. John C. Munro (Minister of Labour): A thorough revision of the Prisons and Reformatories Act is contemplated. When legislation is drafted it will be proposed to remove the provisions that discriminate on the basis of sex or religion, except for provisions which divide facilities for correctional or humanitarian reasons.

STATUS OF WOMEN COMMISSION—REHABILITATION OF WOMEN OFFENDERS

Question No. 308—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal, provincial and territorial governments co-operate in order to provide flexible and imaginative programs aimed at the rehabilitation of women offenders which would include (a) a system that provides appropriate living quarters, small "open" institutions where life

follows a normal pattern rather than institutional living and is integrated as much as possible with the life of the neighbouring community; (b) programs and services, such as education and vocational training, adapted to the needs of individual female offenders and taking full advantage of the resources of that district; and (c) personnel specially trained in dealing with female offenders?

Hon. John C. Munro (Minister of Labour): A Special Programs Officer, Miss Johanna Hickey, was appointed by the Canadian Penitentiary Service in 1972. Her responsibility is in the area of minority groups including women. The Department of the Solicitor General is assisting 26 Community Residential Centres for men and women. Of those centres 19 are exclusively for women. Under existing legislation there is authority to arrange for the confinement in appropriate institutions in the Northwest Territories and the Yukon Territory of persons convicted there to serve penitentiary terms. Negotiations are being carried on with a view to enabling persons from those territories to serve penitentiary terms closer to their homes. The role of the federal government in relation to female offenders serving sentences of two years or more is under review. It is expected that arrangements will be made in due course for the purchase of prison services in the various provincial institutions as recommended by the Canadian Committee on Corrections. Such an arrangement would provide greater flexibility in the treatment and placement of female offenders and will assist in the implementation of this recommendation.

STATUS OF WOMEN COMMISSION—RECOMMENDATION THAT FEDERAL WOMEN'S PRISON, KINGSTON, BE CLOSED

Question No. 309—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal Women's Prison at Kingston be closed?

Hon. John C. Munro (Minister of Labour): In keeping with the recommendation of the Ouimet Committee Report 1969, the Canadian Penitentiary Service is planning to eventually phase out the Prison for Women at Kingston, Ontario, and to contract with Provincial Correctional Systems to provide service for female offenders who are sentenced to two years or more, providing that the individual provincial Correctional Systems for female offenders meet acceptable standards of treatment and training comparable with those established by the Canadian Penitentiary Service. The Ministry has recently initiated discussion with the provinces in this regard.

NAME	LOCATION
Dismis House	Vancouver
Elizabeth Fry Society	Vancouver
Elizabeth Fry Society	Kingston
Elizabeth Fry Society	Toronto

[Mr. Howard.]

STATUS OF WOMEN COMMISSION—PROVISION FOR PAROLE SUPERVISION IN RURAL AND REMOTE AREAS FOR WOMEN OF INDIAN AND ESKIMO ANCESTRY

Question No. 310—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission of the Status of Women that the National Parole Board make use whenever possible of members of band councils and government personnel, to provide parole supervision especially in rural and remote areas, for women of Indian and Eskimo ancestry?

Hon. John C. Munro (Minister of Labour): The Ministry of the Solicitor General has entered into a contractual arrangement with three band councils in Saskatchewan to provide for supervision of persons who are released from prison on parole or under mandatory supervision.

The Ministry of the Solicitor General has a contract with the Native Counselling Service of Alberta to undertake community assessments and do supervision of Indian persons released on parole or under mandatory supervision.

Discussions are underway with Indian Chiefs of Alberta and Manitoba to assist in supervision of Native Peoples released from prison.

There are a number of informal arrangements for supervising Native People by the Band Chiefs or Councils.

The policy of the National Parole Board is to increase this type of participation.

STATUS OF WOMEN COMMISSION—ESTABLISHMENT OF HALFWAY HOUSES FOR WOMEN RELEASED FROM CORRECTIONAL INSTITUTIONS BE SET UP

Question No. 311—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that a network of halfway houses for women newly released from correctional institutions be set up in centres across Canada, supported by public and private funds and operated by voluntary groups and agencies, in accordance with approved government standards?

Hon. John C. Munro (Minister of Labour): At the present time, there are in Canada 26 Community Residential Centres or half-way houses which accept both men and women as residents. Nineteen Residential Centres are exclusively for women and provide a maximum bed capacity of 220. Seven of these with a bed capacity of 67 are *primarily* oriented towards women ex-offenders. The Ministry of the Solicitor General is prepared to write contracts for the already existing half-way houses as the needs arise and they have been advised accordingly. During the current fiscal year, the Ministry has negotiated contracts for residential services, with payments based on services actually provided, with the following:

SELECTIVITY	TOTAL PAID April-Sept. 72
Male and female ex-offenders	$ 7,657.00
Females, ex-offenders	60.00
Females, ex-offenders	7,970.00
Females, ex-offenders	2.80

NAME	LOCATION	SELECTIVITY	TOTAL PAID April-Sept. 72
The Inn	Windsor	Females, ex-offenders	Nil
Pembina House Society, Ninette	Manitoba	Males and Females	Nil
Prince George Activator Society	Prince George	Males and Females ex-offenders	2,120.00
Sancta Maria House	Montreal	Females	Nil
X-Kalay Foundation	Winnipeg	Males and Females	Nil
X-Kalay Foundation	Vancouver	Males and Females	26,232.00
			$44,042.30

STATUS OF WOMEN COMMISSION—IMPLEMENTATION OF RECOMMENDATIONS

Question No. 312—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government establish an implementation committee, composed of a number of its senior administrators, to (a) plan for, co-ordinate and expedite the implementation of the recommendations made by the Royal Commission on the Status of Women to that jurisdiction; and (b) report from time to time to its government on the progress it is making?

Hon. John C. Munro (Minister of Labour): Following the tabling of the Report of the Royal Commission on the Status of Women the government established the Interdepartmental Committee composed of representatives of departments and agencies whose mandates were directly affected by the recommendations. This Committee was responsible for global examination of the Report and related matters and the recommendation of policy guidelines for the consideration of Cabinet. At year end 1971, the Interdepartmental Committee submitted its strong and favourable report based on departmental reports and reports of the Working Parties.

STATUS OF WOMEN COMMISSION—FEDERAL STATUS OF WOMEN'S COUNCIL

Question No. 313—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that a federal Status of Women Council, directly responsible to Parliament, be established to (a) advise on matters pertaining to women and report annually to Parliament on the progress being made in improving the status of women in Canada, (b) undertake research on matters relevant to the status of women and suggest research topics that can be carried out by governments, private business, universities, and voluntary associations, (c) establish programs to correct attitudes and prejudices adversely affecting the status of women (d) propose legislation, policies and practices to improve the status of women, and (e) systematically consult with women's bureaux or similar provincial organizations, and with voluntary associations particularly concerned with the problems of women?

Hon. John C. Munro (Minister of Labour): The minister responsible for the Status of Women announced recently the government's intention to establish as soon as possible an advisory committee reporting to the minister which would carry out the role envisaged for the Council proposed in the recommendation of the Royal Commission.

STATUS OF WOMEN COMMISSION—ESTABLISHMENT OF MINIMUM AGE FOR MARRIAGE

Question No. 314—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government enact legislation establishing 18 years as the minimum for marriage?

Hon. John C. Munro (Minister of Labour): The question of the minimum age for marriage is being studied at the present time by the Department of Justice and the Law Reform Commission. The question was also studied at the last annual meeting of the Conference of Commissioners on Uniformity of Legislation. The Conference recommended on August 22, 1972 that the minimum age for marriage be fixed at 16 for both sexes and that consent be required prior to the marriage of persons under 18 years of age.

STATUS OF WOMEN COMMISSION—CHANGE IN PASSPORT APPLICATION REGULATIONS

Question No. 315—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government change its passport application forms in order to indicate that a married woman may obtain her passport either in her maiden surname or in the surname of her husband?

Hon. John C. Munro (Minister of Labour): The Passport Office began distributing new passport application forms to the public in September, 1972. The revised form "A" advises that passports are normally issued in a woman's married name, but invites a married woman who wishes to have her passport in her maiden name to write the Passport Office for this service.

Order Paper Questions

STATUS OF WOMEN COMMISSION—MODIFICATION IN POLICY CONCERNING ISSUANCE OF PASSPORTS TO MARRIED WOMEN

Question No. 316—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government modify its policy so that a woman need not apply for a new passport after marriage unless she wishes to obtain it in her husband's surname?

Hon. John C. Munro (Minister of Labour): This is existing policy. In addition, a new procedure will be introduced shortly as soon as an amended free schedule has been published to allow a married woman to add her married name to a valid maiden name passport.

STATUS OF WOMEN COMMISSION—RETAINMENT BY INDIAN WOMAN ON MARRIAGE TO NON-INDIAN OF HER INDIAN STATUS

Question No. 317—**Mr. Howard:**

1. What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Indian Act be amended to allow an Indian woman upon marriage to a non-Indian to (a) retain her Indian status and (b) transmit her Indian status to her children?

Hon. John C. Munro (Minister of Labour): 1. Amendments to the Indian Act would result in fundamental changes in the criteria governing entitlement to Indian status and to membership in Indian bands. Because there is a case before the Supreme Court on this matter the government cannot take any action until a decision has been reached.

STATUS OF WOMEN COMMISSION—RECOMMENDATION THAT CRIMINAL CODE BE AMENDED SO THAT WIFE MAY BE HELD TO SUPPORT HUSBAND

Question No. 318—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Criminal Code be amended so that the wife may be held to support her husband in the same way that the husband may be held to support his wife?

Hon. John C. Munro (Minister of Labour): The Minister of Justice is prepared to recommend the repeal of this section the next time that general amendments to the Criminal Code are being considered by the government. He considers that support is properly a civil rather than a criminal matter.

STATUS OF WOMEN COMMISSION—AMENDMENT TO DIVORCE ACT

Question No. 319—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Divorce Act be amended so that the Three-year separation period provided in Section 4(1)(*e*)(i) be reduced to one year?

Hon. John C. Munro (Minister of Labour): Consideration is being given to this recommendation together with other proposed amendments to the Divorce Act. It is probable that amendments to the Divorce Act will not be proposed until after a report on the Act has been received from the Law Reform Commission of Canada.

[Mr. Munro (Hamilton East).]

STATUS OF WOMEN COMMISSION—AMENDMENT TO DIVORCE ACT

Question No. 320—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Divorce Act be amended so that the words "educational needs" be added to the list of exceptions where the maintenance of children over the age of 16 years may be ordered as a charge falling to the parents?

Hon. John C. Munro (Minister of Labour): None. The courts have held that maintenance may be ordered for children over the age of sixteen who are attending school or university. This legal position has been upheld by the Supreme Court of Canada in the case of Jackson v. Jackson in a judgment given October 18, 1972.

STATUS OF WOMEN COMMISSION—DAY CARE CENTRES

Question No. 321—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the National Housing Act be amended to (a) permit the making of loans for the construction, purchase and renovation of buildings for day-care centres, and (b) permit the inclusion of space for day-care centres in housing developments, including university buildings, for which loans are made under the Act?

Hon. John C. Munro (Minister of Labour): With respect (a) the proposed amendments to the National Housing Act (Bill C-133, which was given first reading in Parliament on January 30, 1973), include a provision for grants and loans to municipalities for Neighbourhood Improvement Programmes. These programs to be undertaken through federal-provincial agreement, will have as objectives the conservation and improvement of stable residential areas inhabited by low and moderate income people, the improvement of community planning processes and the promotion of higher quality community environments. It is intended that Day Care Centres will qualify under this proposal. With respect to (b) the National Housing Act already provides that all housing projects financed under the various sections of the Act may include appropriate space for purposes other than housing, such as Day Care Centres, in projects that provide family accomodation. This would include housing for married students.

STATUS OF WOMEN COMMISSION—RECOMMENDATION OF NATIONAL DAY CARE ACT

Question No. 322—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government immediately take steps to enter into agreement with the provinces leading to the adoption of a national Day-Care Act under which federal funds would be made available on a cost-sharing basis for the building and running of day-care centres meeting specified minimum standards, the federal government to (a) pay half the operating costs; (b) during an initial seven-year period, pay 70 per cent of capital costs; and (c) make similar arrangements for the Yukon and Northwest Territories?

Hon. John C. Munro (Minister of Labour): The federal government has acted on the intent of this recommenda-

tion by providing both the funds necessary to expand the number of day-care centres and by ensuring that certain standards are met. Recent amendments to the Canada Assistance Plan Regulations extend the scope of shareable costs to cover total operating costs, including depreciation on equipment and facilities, as well as purchase of furnishings and equipment. The provisions of the plan apply to all provinces, the Yukon Territory and Northwest Territories. In addition, a grant has been approved under the National Welfare Grants program to the Canadian Council on Social Development to conduct a study which has, as its goal, the establishment of national guidelines. Staff of the National Day Care Information Centre are co-operating with the Canadian Council of Social Development in this undertaking.

STATUS OF WOMEN COMMISSION—CHILD CARE SERVICES

Question No. 323—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Department of National Health and Welfare offer an extension of advisory services to the provinces and territories through the establishment of a unit for consultation on child-care services?

Hon. John C. Munro (Minister of Labour): Consultative services for child welfare and other related child care services have been available to the provinces and territories under the Canada Assistance Plan since 1966. In addition, a National Day Care Information Centre has been established with a full-time consultant on day care services as well as support staff. The recommendations of the Royal Commission on the Status of Women were a major factor in the decision to establish the centre. Furthermore, the Department of Health and Welfare has provided a grant for and is participating in a study by the Canadian Council on Social Development designed to develop guidelines for Day Care Services.

STATUS OF WOMEN COMMISSION—AVAILABILITY OF BIRTH CONTROL INFORMATION

Question No. 324—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that birth control information be available to everyone?

Hon. John C. Munro (Minister of Labour): It was largely in response to recommendations made by the Royal Commission on the Status of Women that the federal government in July 1970 approved the establishment of a federal family planning program whose mandate includes the dissemination of birth control information to all Canadians who desire it.

STATUS OF WOMEN COMMISSION—BIRTH CONTROL INFORMATION

Question No. 325—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Department of National Health and Welfare (a) prepare and offer birth control information free of charge to provincial and territorial authorities, associations, organizations and individuals and (b) give financial assistance through National Health grants and National Welfare grants to train health and welfare workers in family planning techniques?

Hon. John C. Munro (Minister of Labour): (a) As part of the federal family planning program, the Department of National Health and Welfare, through its Family Planning Division, provides on request, birth control information free of charge to provincial, territorial and municipal authorities, to voluntary associations and organizations, and to individuals. (b) This program offers financial assistance on a project basis to provincial, territorial, and municipal governments, to voluntary associations and organizations, and to universities for family planning services and demonstration, research and training projects such as the training of health and welfare workers in family planning techniques.

STATUS OF WOMEN COMMISSION—RECOMMENDATION THAT STERILIZATION SHALL NOT ENGAGE CRIMINAL RESPONSIBILITY OF PRACTITIONER

Question No. 326—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the criminal law be clarified so that sterilization performed by a qualified medical practitioner at the request of his patient shall not engage the criminal responsibility of the practitioner.

Hon. John C. Munro (Minister of Labour): The Minister of Justice would take the position that sterilization is a matter for medical discretion and that sterilization performed by a qualified medical practitioner at the request of his patient does not "engage the criminal responsibility of the practitioner". Therefore, it is considered that no action is required to clarify the criminal law in respect of sterilization.

STATUS OF WOMEN COMMISSION—ABORTION

Question No. 327—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Criminal Code be amended to permit abortion by a qualified medical practitioner on the sole request of any woman who has been pregnant for 12 weeks or less?

Hon. John C. Munro (Minister of Labour): The government is giving no consideration to amendments relating to abortion beyond those introduced in 1970.

STATUS OF WOMEN COMMISSION—ABORTION

Question No. 328—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Criminal Code be amended to permit abortion by a qualified practitioner at the request of a woman pregnant for more than 12 weeks if the doctor is convinced that the continuation of the pregnancy would endanger the physical or mental health of the woman, or if there is a substantial risk that if the child were born, it would be greatly handicapped, either mentally or physically?

Hon. John C. Munro (Minister of Labour): The government is giving no consideration to amendments relating to abortion beyond those introduced in 1970.

Order Paper Questions

STATUS OF WOMEN COMMISSION—TAX EXEMPTIONS FOR DEPENDENTS

Question No. 329—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission of the Status of Women that the federal Income Tax Act be amended in order that (a) the extra exemption allowed the taxpayer for the dependent spouse be reduced from the present $1,000 to $600 when the dependent spouse in under 60 years of age, and (b) the extra exemption allowed the taxpayer for a dependent spouse be the same as the individual personal exemption, when a dependent spouse is aged 60 and over?

Hon. John C. Munro (Minister of Labour): Since the Report of the Royal Commission on the Status of Women, the federal Income Tax Act has been amended to provide that the basic exemption to a taxpayer be $1500 and the additional exemption to a taxpayer who supports his spouse be $1350. The recent budget proposed that these amounts be increased to $1600 and $1400 respectively. The amount of the additional exemption is not dependent of the age of the dependent spouse.

STATUS OF WOMEN COMMISSION—TAX ALLOWANCE FOR EACH CHILD UNDER 16

Question No. 330—**Mr. Howard:**

What action has been taken with the recommendations of the Royal Commission on the Status of Women that a federal annual taxable cash allowance in the order of $500 be provided for each child under 16 to be paid in monthly instalments to the mother as under the present Family Allowance system?

Hon. John C. Munro (Minister of Labour): Action has already been taken in relation to this proposal. Bill C-170 before the last Parliament proposed to pay a federal annual taxable cash allowance in the order of $180 or $240 for each child under 18 in monthly instalments (of $15 and $20) to the mother. These allowances would be taxable in the hands of families with incomes above $4,500 at a special tax rate to be applied in advance of payment. This Bill did not receive third reading.

Further plans to improve the family allowances program are now being considered and will be presented to parliament in the near future.

An allowance of $500 a year ($41.67 a month) would entail a gross expenditure (before taxes) of $3.4 billion a year in place of the $640 million allocated for this purpose.

STATUS OF WOMEN COMMISSION—AMENDMENT TO INCOME TAX ACT PERMITTING HUSBAND AND WIFE TO FORM A TAXATION UNIT

Question No. 331—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal Income Tax Act be amended in order that husband and wife form a taxation unit and be permitted to aggregate their incomes, under a special tax rate schedule, in a joint return signed by both spouses with the option to file separately if they so desire?

Hon. John C. Munro (Minister of Labour): This is a matter of tax policy. If the Government should decide to recommend an amendment to this portion of the Income Tax Act it would be announced in the usual way.

[Mr. Munro (Hamilton East).]

STATUS OF WOMEN COMMISSION—RECOMMENDATION THAT GUARANTEED ANNUAL INCOME BE PAID TO HEADS OF ONE-PARENT FAMILIES

Question No. 332—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that a guaranteed annual income be paid by the federal government to the heads of all one-parent families with dependent children?

Hon. John C. Munro (Minister of Labour): The Department of National Health and Welfare is giving serious consideration to ways and means of improving social benefits to people other than those in the age group of 65 and over, who already benefit through a guaranteed income supplement to the Old Age Security pension. Various low income populations are being looked at including one-parent families with dependent children. Various alternatives are being considered which will provide economic security without limiting the freedom of option for heads of one-parent families with dependent children. These will be discussed with the provinces during the course of the over-all review of the social security system commencing with the federal-provincial conference of Welfare Ministers in April. In addition, federal-provincial co-operation will be necessary to develop appropriate programs so that specific groups such as one-parent families will receive the requisite social as well as economic supports. There is growing impetus to the development of day care services; children of one-parent families have priority access to publicly supported centers.

STATUS OF WOMEN COMMISSION—GUARANTEED INCOME SUPPLEMENT OF OLD AGE SECURITY BENEFITS

Question No. 333—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that (a) the Guaranteed Income Supplement of the Old Age Security benefits be increased so that the annual income of the recipients is maintained above the poverty level, and (b) the Supplement be adjusted to the cost of living index?

Hon. John C. Munro (Minister of Labour): This recommendation has been effectively implemented. Following the budget of May 1972, the OAS/GIS was raised to $150 monthly for a single pensioner, and $285 monthly for a married couple. Bill C-147, presently before the House, would again raise the level to $170 for a single person ($2,042 annually) and $325 monthly for a married couple ($3,515 annually). Although there is no existing statistical concept of poverty in Canada, Statistics Canada has established low-income cut-offs which have been used to delineated low-income families from other units. For the year 1972, these were set at $2,110 for a single person and $3,516 for a couple. It should be noted that the above annual income of $3,895 is greater than that of a family where the breadwinner earns the provincial minimum wage, (the exception to this case exists in British Columbia where a provincial supplement has raised the total pension to $4,800 for a couple over 65.) It is also significantly higher than what a two unit family, whose members are under 65 years of age, would receive in direct social assistance payments in all provinces. In May of 1972 parliament revised the Old Age Security Act so as to adjust both the Old Age Security pension and the

Guaranteed Income Supplement according to annual changes in the consumer price index.

STATUS OF WOMEN COMMISSION—ESTABLISHMENT OF FRIENDSHIP CENTRES

Question No. 334—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government in co-operation with native people, establish or expand friendship centres directed and staffed by people of Indian, Métis or Eskimo ancestry, to provide needed services?

Hon. John C. Munro (Minister of Labour): Upon the recommendation of the Royal Commission on the Status of Women, the Citizenship Branch of the Department of the Secretary of State instituted a five year program to establish, support and develop friendship centres for native people. This program includes core funding of friendship centres for the first two years of operation, a capital fund to improve the present facilities of friendship centres, and a personnel training fund to secure development opportunities for friendship centre staff. Native people are encouraged to participate in all levels of administration and are, in fact, very active in the entire movement. At present forty one (41) friendship centres have been funded under this program and are located in Quebec, Ontario, the western provinces and the Territories.

STATUS OF WOMEN COMMISSION—RECOMMENDATION THAT FEDERAL GOVERNMENT APPOINT MORE WOMEN JUDGES

Question No. 335—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government name more women judges to all courts within their jurisdiction?

Hon. John C. Munro (Minister of Labour): Since the publication of the report of the Royal Commission three women have been appointed as judges. Madam Justice Mable VanCamp was appointed a Judge of the Supreme Court of Ontario in November 1972, Judge Janet Boland was appointed a County Court Judge of Ontario on January 27, 1972 and Madame Justice Claire l'Heureux-Dubé was appointed a Judge of the Superior Court of Quebec on February 8, 1973.

STATUS OF WOMEN COMMISSION—RIGHT OF WIVES TO BE INDEPENDENT APPLICANTS FOR ADMISSION TO CANADA

Question No. 336—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Immigration Division of the federal Department of Manpower and Immigration review its policies and practices to ensure that the right of a wife to be an independent applicant for admission to Canada is always respected and that wives are made fully aware of this right?

Hon. John C. Munro (Minister of Labour): The right of a wife to be an independent applicant is inherent in the Immigration Act and Regulations. The term presently used "head of family" does not mean the husband but that spouse who is financially responsible for providing the necessities of life for the family on a continuing basis. All immigration counselling officers apply this definition and in those cases where the husband cannot meet the selection criteria, the wife is being examined as "head of family". The possibility of making this fact known to all independent applicants by an explanatory note on the Application for Permanent Admission to Canada is being investigated.

STATUS OF WOMEN COMMISSION—SUGGESTED AMENDMENT TO IMMIGRATION ACT CONCERNING HEAD OF FAMILY

Question No. 337—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal Immigration Act and Regulations be amended by the elimination of the term "head of a family" wherever it appears in the legislation and by the substitution of the exact meaning which is intended in each case?

Hon. John C. Munro (Minister of Labour): The Immigration Act defines "head of family" as that person in the family upon whom the other members are mainly dependent for support. Operational instructions to Departmental staff clearly indicate that this may be either the husband or the wife. The recommendations of the Royal Commission on the Status of Women with regard to this point have been accepted in principle and as soon as the Government's legislative timetable permits, appropriate amendments will be introduced containing more precise terminology which will in no way denote the sex of the individual.

STATUS OF WOMEN COMMISSION—RECOMMENDATION OF AUTOMATIC RESUMPTION OF CANADIAN CITIZENSHIP

Question No. 338—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Canadian Citizenship Act be amended to provide for the automatic resumption of Canadian citizenship by women who lost it because they married aliens before January 1, 1947?

Hon. John C. Munro (Minister of Labour): The recommendation of the Royal Commission on the Status of Women to amend the Canadian Citizenship Act to provide for the automatic resumption of Canadian citizenship by women who lost it because they married aliens before January 1, 1947, has been sympathetically considered and opportunity for discussion will be given members of the House at the time the new citizenship bill or major amendments to the current Act are introduced.

STATUS OF WOMEN COMMISSION—EQUAL OPPORTUNITY FOR WOMEN IN FEDERAL GOVERNMENT

Question No. 339—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that (a) a Women's Programme Secretariat be established in the Privy Council Office for promoting a programme for equality of opportunity for women in the federal Government Service and the greater use of

their skills and abilities; (b) a Women's Programme Co-ordinator be appointed to each federal government department, Crown Corporation and agency, to the Royal Canadian Mounted Police, the Canadian Forces, and to the staff of the Senate and the House of Commons to promote within the organization the objectives of the Women's Programme and to maintain liaison with the Secretariat; (c) the federal government organizations referred to above be required to give periodic progress reports to the Women's Programme Secretariat of objectives undertaken; and (d) an annual report be tabled in Parliament on the progress being made in the federal Government Service toward the objectives of the Women's Programme?

Hon. John C. Munro (Minister of Labour): This recommendation has been effectively implemented by the following actions: (a) the establishment in the Public Service Commission of the Office of Equal Opportunities for Women whose responsibility it is to stimulate and facilitate career opportunities for women in the Public Service and to maintain a watching brief on equal opportunities for women in the employment policies, practices and procedures of the service. (b) A number of departments and agencies have appointed officers with the responsibility of promoting equal opportunity for women within their departments or agencies. In addition an interdepartmental committee has been established with representatives from 30 departments to co-ordinate activities in this regard. (c) Departmental representatives on the Interdepartmental Committee present quarterly reports on activities within their departments; (d) The annual report of the Public Service Commission includes a section on the Office of Equal Opportunities for Women outlining the progress being made by that office.

STATUS OF WOMEN COMMISSION—SURVEY OF USE OF HOMEWORKERS

Question No. 340—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Canada Department of Labour conduct a survey of the use of homeworkers, including handicraft workers, their wages and their other conditions of employment.

Hon. John C. Munro (Minister of Labour): The Department of Labour in its 1972 Survey of Wages and Working Conditions in Canadian Industry asked two questions concerning the use of homeworkers by Canadian industry. Preliminary tabulations of data on these questions are expected about the end of March 1973.

STATUS OF WOMEN COMMISSION—ADMITTANCE TO MILITARY COLLEGES

Question No. 341—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that women as well as men be admitted to the military colleges operated by the Department of National Defence?

Hon. James Richardson (Minister of National Defence): It is assumed that the intent of this recommendation is to ensure equality of opportunity for young female applicants who wish to become officers in the Canadian Armed Forces, and that they should have the same opportunity for subsidized training as the cadets at military colleges. Although the military colleges are considered to be a prime source of combat ready career officers, their graduates in fact comprise less than 20 per cent of the annual officer production. Students attending civilian universities under the Regular Officer Training Plan (ROTP) are subsidized to the same degree as are students at the military colleges. Due to the lack of facilities and unsuitability of the type of training available at the military colleges, women are now given equal consideration for subsidized training at civilian universities under the Regular Officers Training Program, the Medical Officers Training Program, the Dental Officers Program, the University Training Plan for Men and the University Training Plan for Officers. The opening of these plans to female applicants is viewed as a means of providing equality in terms of career development.

STATUS OF WOMEN COMMISSION—RECOMMENDATION THAT GOVERNMENT PROVIDE SPECIAL FUNDS FOR UNIVERSITY EDUCATION

Question No. 342—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government provide special funds for young women and men to acquire university education, such as is provided for young men who attend military college, leading to a degree in fields designated to be of special interest for aid to developing areas, the terms to include commitment to some specified national or inter-national service?

Hon. John C. Munro (Minister of Labour): No special program of this type has been established.

STATUS OF WOMEN COMMISSION—SEX-TYPING OF OCCUPATIONS

Question No. 343—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government set up committees to review all government publications concerned with the choice of occupations and careers in order to select and use only publications that encourage women to consider all occupations, including those which have been traditionally restricted to men?

Hon. John C. Munro (Minister of Labour): Although no committees have been established, all positions are now advertised as open to both men and women. In addition see answer to question 390.

STATUS OF WOMEN COMMISSION—CAREER INFORMATION SERVICES AT CANADA MANPOWER CENTRES

Question No. 344—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that (a) the federal government in co-operation with the provinces and territories set up a career information service in each local Canada Manpower Centre which would (i) include personnel specially trained to give information to women on occupations, training requirements, financial help available, and labour market conditions and needs, and (ii) insist on the importance of a broad field of occupational choice for girls; and (b) subject to consultation and agreement with the educational authorities, this career information service be offered to all schools of the area?

Hon. John C. Munro (Minister of Labour): (a) Canada Manpower Centres provide a career information service through manpower counsellors who are qualified to give information on occupations, training requirements and labour market conditions to all clients, male and female. Where other forms of assistance are indicated to enhance an individual's capability to seek and retain employment, liaison is established with appropriate agencies for the provision of such services. (b) Regarding the provision of a career information service to female students, CMC staff over the years have been visiting schools to provide labour market and other occupational information to students and school guidance teachers. In their visits, the counsellors encourage female students to think in terms of a broad range of occupations. In the school year 1971-72, over 1400 secondary schools were visited by manpower counsellors for the purpose of occupational counselling, participation in "Career Days", distribution of literature or the provision of other forms of assistance. Discussions with provinces are planned early in 1973 to improve career counselling of Canadian youth, male and female.

STATUS OF WOMEN COMMISSION—RESEARCH INTO SPORTS PROGRAMS

Question No. 345—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that, pursuant to section 3(d) of the federal Fitness and Amateur Sport Act, a research project be undertaken to (a) determine why fewer girls than boys participate in sports programs at the school level and (b) recommend remedial action?

Hon. John C. Munro (Minister of Labour): Since July 1972, the Fitness and Amateur Sport Directorate of the Department of National Health and Welfare has had on staff a women's consultant whose duties include, among other things, defining the problems facing women in sport, and establishing programs to alleviate these problems. Since that time the women's program has developed to the point of proposing various needed programs dealing with women in sport in the following areas: (1) Educational programs to ascertain the reasons behind the lack of female participation and programs to alleviate the problem areas; (2) Coaching programs for increasing the quality and quantity of women coaches; (3) Promotional programs such as symposias, films and printed materials on women in sport; (4) Establishment of an information retrieval center collecting and distributing needed materials on women in sport; (5) Development of women officials for the 1976 Olympics and beyond. With reference to this particular recommendation of the Royal Commission, the above Educational Program will contract the services of physical education experts to: (a) research the present situation and ascertain the reasons why girls do not actively participate in sports; (b) make necessary recommendations to educational boards, physical education departments, and Sport Canada; (c) work through the appropriate channels in the school system to implement recommended programs; (d) establish effective evaluation procedures for the new programs. Implementation of this program is expected to begin in the new fiscal year.

STATUS OF WOMEN COMMISSION—INFORMATION ON OCCUPATIONAL TRAINING FOR ADULTS PROGRAM

Question No. 346—**Mr. Howard:**

What action has been taken with the recommendations of the Royal Commission on the Status of Women that the federal government in co-operation with the provinces and territories ensure that information on the federal Occupational Training for Adults Programme reaches women outside the labour force as well as those employed or actively seeking employment?

Hon. John C. Munro (Minister of Labour): The Department of Manpower and Immigration continually reviews its information program, and attention is being paid to whether the information being presented, and the media used are such as to reach women both within and outside the labour force. More specifically, the following action has been taken: Manpower training courses are being advertised nation-wide on the CBC network; arrangements have been made with a market research agency to carry out an attitude and awareness survey of manpower services and programs among women, one of the objectives being the determination of the most appropriate media to be utilized for reaching women.

STATUS OF WOMEN COMMISSION—PART-TIME TRAINING PROGRAMS

Question No. 347—**Mr. Howard:**

What action has been taken with the recommendations of the Royal Commission on the Status of Women that the federal government in co-operation with the provinces and territories expand and widely advertise the part-time training programmes offered by the Department of Manpower and Immigration?

Hon. John C. Munro (Minister of Labour): The Department of Manpower and Immigration recognizes the importance of part-time training as a means of enabling many women to enter or re-enter the labour force. Part-time training courses are advertised in the local press. The assessment of priority to be given to part-time training under the Canada Manpower Training Program is based on the recommendations of the federal-provincial Manpower Needs Committees in each province and territory.

STATUS OF WOMEN COMMISSION—ADULT OCCUPATIONAL TRAINING ACT

Question No. 348—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that section 3(b) of the federal Adult Occupational Training Act be amended so that full-time household responsibility be equivalent to participation in the labour force in so far as eligibility for training allowances is concerned?

Hon. John C. Munro (Minister of Labour): Amendments to the AOT Act have been passed and the new eligibility criterion for training allowances has been implemented effective July 1, 1972. Under the new rules individuals become eligible for training allowances when they become eligible for training. In the July-December 1972 period the number of females entering training courses (under the new eligibility rules) increased by 35 per cent compared to the same period of 1971.

Order Paper Questions

STATUS OF WOMEN COMMISSION—CAREER UPGRADING PROGRAMS

Question No. 349—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal Department of Manpower and Immigration, in co-operation with provinces and territories, develop policies and practices that will result in (a) an increase in the number of women undertaking educational upgrading programmes and training for more highly skilled occupations, (b) the enrolment of women in courses in line with their capacities without regard to sex-typing of occupations, (c) an increase in the number of women training for managerial and technical positions, and (d) the consideration by women of the whole spectrum of occupations before choosing training courses?

Hon. John C. Munro (Minister of Labour): A number of steps have been taken by the Department of Manpower and Immigration to implement a policy of encouraging women to consider occupations outside the traditional female ones, and to refer such clients to a broader range of occupations for training and for employment. These steps include the following: A career information service in Canada Manpower Centres is being strengthened by an extensive program to produce reliable and detailed data on current and future manpower requirements and supply, by an automated client information system, by the development of a computer-assisted career counselling system, and by other measures. A position has been established at the Department's Headquarters to provide advice and functional guidance in the matter of employment problems of women. Regarding the sex-typing of occupations, the Department issued instructions to the field to consider female clients for a wider range of courses and to bring these courses to the attention of clients. Further action planned on this matter includes the advising of CMC counsellors to encourage female clients to consider occupations outside traditional female ones; to refer such clients to a broader range of occupations for employment; to ensure that sex-typing of occupations does not occur in its publications or advertising messages; to ensure that its publications will encourage women to consider a broad range of occupations in keeping with the individual's interests and abilities.

STATUS OF WOMEN COMMISSION—EXPANSION OF CANADA STUDENT LOANS PROGRAM

Question No. 350—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government, in cooperation with the provinces and territories, extend the present system of student loans to include part-time students?

Hon. John C. Munro (Minister of Labour): The subject of assistance to part-time students is under active consideration by the federal government in close consultation with all provincial governments.

STATUS OF WOMEN COMMISSION—OCCUPATIONAL TRAINING PROGRAM

Question No. 351—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government, in co-operation with the provinces, provide through the Occupational Training for Adults programme (a) training courses which will lead to a diploma for visiting homemakers for emergency assistance, the planning of which will be in conjunction with local welfare agencies, and (b) training courses leading to a diploma for household workers other than visiting homemakers?

[Mr. Munro (Hamilton East).]

Hon. John C. Munro (Minister of Labour): Courses for various categories of household workers, including homemakers have been purchased under the CMTP. Because of the generally poor economic and social status of these occupations, the Department of Manpower and Immigration feels that further expansion of training depends on such factors as the improvement of labour standards and working conditions, market demand and earnings. The Department is prepared to enter into discussions with voluntary organizations and provincial agencies with a view to establishing a plan of action for improving conditions in these occupations.

STATUS OF WOMEN COMMISSION—RETRAINING OF RURAL PEOPLE

Question No. 352—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that women be given the same opportunity as men to participate in any programmes at present or in the future, that are sponsored by government for the retraining and rehabilitation of rural people, such as those begun under the Agricultural and Rural Development Act (ARDA)?

Hon. John C. Munro (Minister of Labour): The Adult Occupational Training Act, as amended July 1, 1972 provides that an adult who has not attended school on a regular basis for any period of at least twelve months, at any time since attaining provincial school leaving age, may apply to a manpower officer for occupational training, and the manpower officer may arrange training suitable for that adult, that will increase his or her earning capacity or opportunities for employment.

Further, the Canada Agricultural Manpower Committee, a federal-provincial body, has accepted the task of informing and encouraging rural Canadians, particularly farmers, vis-à-vis the availability and value of agricultural training courses which may be undertaken within the Canada Manpower Training Program, in co-operation with the respective Provincial departments of agriculture and education. The principles this committee has accepted include the need to re-structure courses to meet the needs of women, and to offer training priority to the farm-family partner who has primary responsibilities for the functions covered by the training undertaken. Moreover all women, both rural and urban dwellers, may apply for training under the Canada Manpower Training Program and be considered for training that is commensurate with their abilities and aspirations.

As concerns the Agricultural and Rural Development Act, it has been and will continue to be the policy and practice of the Department of Regional Economic Expansion to attempt to ensure that women are given the same opportunity as men in relation to retraining and rehabilitation available under ARDA and other programs affecting rural people. ARDA cost-sharing agreements signed with the various provinces contain specific clauses to safeguard against discrimination in employment by reason of race, sex, religion, national origin, color, or

political affiliation, as well as other provisions designed to ensure the equitable application of the agreements to all eligible people. While these agreements assign to the provinces, not the federal government, the direct responsibility for the implementation of the various programs, it should be emphasized that no complaint has been received by the Department of any discrimination in their application.

STATUS OF WOMEN COMMISSION—EDUCATIONAL NEEDS OF IMMIGRANTS

Question No. 353—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Department of the Secretary of State, through its Citizenship Branch, in co-operation with the provinces and territories, (a) conduct surveys in all areas of Canada where immigrants are settling to ascertain the special educational needs of immigrant women, (b) suggest programs by which these needs could be met, (c) make these needs and programs known to voluntary workers in the community, and (d) assist volunteers in the implementation of these training programs?

Hon. John C. Munro (Minister of Labour): (a) The Citizenship Branch of the Department of the Secretary of State has made recent studies of the needs of immigrants, including immigrant women, in all areas of Canada where immigrants are settling. (b) Programs by which these needs could be met are under study. (c) and (d) The regional liaison officers of the Citizenship Branch work closely with voluntary organizations in the community assisting in the adjustment of immigrants. As studies are completed and programs are developed regional liaison officers employ them in their work with the voluntary sector.

STATUS OF WOMEN COMMISSION—LANGUAGE TRAINING PROGRAMS

Question No. 354—**Mr. Howard:**

What action has been taken with the recommendations of the Royal Commission on the Status of Women that the federal government, in co-operation with provinces and territories, review language training programs in order to ensure that the needs of immigrant women are being met?

Hon. John C. Munro (Minister of Labour): The Department of the Secretary of State is reviewing its language training agreements with the provinces to ensure that they adequately meet the needs of immigrants, including immigrant women. Preliminary discussions have been with most provinces on this matter.

STATUS OF WOMEN COMMISSION—CONTINUATION OF EDUCATIONAL PROGRAM IN RELATION TO HOUSING

Question No. 355—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government, in co-operation with the Northwest Territories, make sure that the education program in relation to housing is continued?

Hon. John C. Munro (Minister of Labour): Home management supervisors have been working in the Baffin and Keewatin regions for several years for that express purpose and in both areas Eskimo women trainees work closely with the Supervisors with a view to taking over this responsibility as sufficient training is completed. Similar positions have now been established in the Fort Smith region and five trainee positions approved, all native northern women, to undergo training which will qualify them to take over senior positions in this field.

STATUS OF WOMEN COMMISSION—RECOMMENDATION THAT GOVERNMENT ENCOURAGE ESKIMO AND INDIAN WOMEN TO TRAIN IN ADULT EDUCATION

Question No. 356—**Mr. Howard:**

What action has been taken with the recommendation of the Royal commission on the Status of Women that the federal government encourage Eskimo and Indian women to take training in adult education for work in the northern communities?

Hon. John C. Munro (Minister of Labour): The Department of Indian Affairs and Northern Development has been successful in attaining the support of a number of agencies for adult basic education and up-grading programs. Band councils, social committees, local school boards, provincial Departments of Education, Canada Manpower and others share in the planning, organization, administration and financing of these programs. More programs involving more women are being developed at present and it is hoped that the number of native women participating in such programs will increase substantially in the near future.

STATUS OF WOMEN COMMISSION—RECOMMENDATION THAT WOMEN BE CONSULTED IN THE USE OF CANADIAN SATELLITE COMMUNICATIONS SYSTEMS

Question No. 357—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Governments and organizations which plan to use the Canadian satellite telecommunications system (a) consult knowledgeable women as to the types and quality of programs and the hours of scheduling in order to meet the needs and convenience of women in Canada and (b) include women professionals and specialists in all branches of program production and broadcasting so that women will have equal opportunities with men in the development, operation and use of this new medium?

Hon. John C. Munro (Minister of Labour): Representatives of the English Services Division, the French Services Division and of Engineering Headquarters have been designed to study means of implementing applicable recommendations of the Report of the Royal Commission. Additionally, qualitative and quantitative assessments of the present situation within the CBC have gone forward to the Co-Ordinator, Status of Women. Measures to give effect to the above mentioned recommendation are part of the objectives for CBC personnel relations for 1973/74.

STATUS OF WOMEN COMMISSION—RECOMMENDATION THAT GOVERNMENTS PROVIDE FINANCIAL ASSISTANCE TO CITIZENS' INFORMATION CENTRES

Question No. 358—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that federal, provin-

cial, territorial and municipal governments provide financial assistance to citizens' committees operating Citizen's Information Centres?

Hon. John C. Munro (Minister of Labour): Following the recommendation of the Royal Commission on the Status of Women, the Citizenship Branch of the Department of the Secretary of State has provided financial assistance in the amount of $97,942 to citizens' committees operating citizens' information and referral centres. The money has been distributed as follows:

Fiscal year 1971-1972: Hamilton & District Central Information Centre, Ontario, $15,000; Community Information Service of Ottawa/Carleton, Ontario, $10,000; Community Information Service, Russell, Manitoba, $8,000; Centre de référence et d'Information de Sherbrooke, Quebec, $8,000; Information London, Ontario, $6,000; Total, $47,000.

Fiscal year 1972-1973: Thorncliffe Information Post-Toronto, Ontario, $1,500; Weston Information & Referral Centre-Toronto, Ontario, $6,500; Rexdale Community Information Directory, Toronto, Ontario, $5,000; Bloor-Bathurst Information, Toronto, Ontario, $8,942; Information Orillia, Orillia, Ontario, $3,000; Information Scarborough, Toronto, Ontario, $2,500; Sudbury and District, Sudbury, Ontario, $2,000; Agincourt Community Services, Agincourt-Toronto, Ontario, $2,000; Community Information Service, Minnedosa, Manitoba, $2,500; Chimo Help Centre, Fredericton, New Brunswick, $6,000; Information Abitibi-Témis, Rouyn, Quebec, $5,000; Community Integration, Montreal, Quebec, $6,000; Total, $50,942; Grand Total, $97,942.

STATUS OF WOMEN COMMISSION—NUMBER OF WOMEN ENROLLED IN CAREER ASSIGNMENT PROGRAM

Question No. 359—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that, for the next 10 years, the number of women enrolled in each course in the Career Assignment Program of the federal Public Service be no less than 10 per cent of the total number of people enrolled in the course?

Hon. John C. Munro (Minister of Labour): I have been given the following information by the Public Service Commission: There are approximately 120, or 3.5 per cent, of the women throughout the service, compared with 3,437 men, who currently meet the CAP eligibility criteria. Consequently, it appeared that the 10 per cent female participation target referred to in the recommendation would not be attainable. However, through continued special efforts, the 10 per cent level was attained in 1972, with 10 women out of a total of 94 persons participating in the CAP program during the year. This compares with a total of eight women out of 350 persons who had participated from 1968, when the program began, up to 1972. The Commission is continuing its efforts to ensure that all qualified women in the service are considered for nomination to this executive development program and in its efforts to raise the proportion of women eligible for participation in the CAP Program through increased training and development opportunities for women in the lower and middle management levels in the service.

[Mr. Howard.]

STATUS OF WOMEN COMMISSION—AMENDMENT OF PUBLIC SERVICE TERMS AND CONDITIONS OF EMPLOYMENT REGULATIONS

Question No. 360—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that (a) the federal Public Service Terms and Conditions of Employment Regulations be amended so that part-time employees will receive pay increases on the same basis as full-time employees, and (b) collective agreements for the federal Public Service contain this provision?

Hon. John C. Munro (Minister of Labour): (a) The application of the Public Service Terms and Conditions of Employment Regulations to managerial and confidential employees excluded from collective agreements, has been modified to permit pay increments for part-time employees within salary ranges negotiated for employees of the applicable bargaining unit. If the collective agreement for the bargaining unit involved is silent on the subject, part-time employees are granted pay increments in accordance with the provisions of the Clerical and Regulatory Agreement. Generally, an excluded employee whose hours of work, on an annual basis, average 18 hours or more per week, receives pay increments. The increment period is determined through a formula which requires that a part-time employee work a longer period between increments in order to gain the same amount of experience as the full-time employee. (b) A number of collective agreements provide for pay increases for part-time employees, generally if their scheduled hours of work, on an annual basis, average 18 hours or more per week. The general formula for determining the date on which the part-time employee receives the increase is the same as for the excluded employees described above and results in the part-time employee obtaining an increase in pay when he has worked the same number of hours as the full-time employee is required to work in order to receive a pay increment.

Because it is a negotiable matter, any extension or modification of this provision will be determined by collective bargaining between the Employer and the Bargaining Agent.

STATUS OF WOMEN COMMISSION—STATUS OF WOMEN SCIENTISTS AND TECHNOLOGISTS

Question No. 361—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that federal Crown Corporations and agencies (a) ensure that women scientists and technologists receive equal consideration with men for appointment, and (b) make a special effort to give graduate women employees a chance to take post-graduate degrees?

Hon. John C. Munro (Minister of Labour): (a) Crown Corporations and agencies now afford equal consideration to women as to men for appointments in the fields of science and technology as in all other fields. (b) Where educational assistance programs are available generally speaking these are now available to both men and women and every effort is made to ensure that female employees are not overlooked.

STATUS OF WOMEN COMMISSION—EMPLOYMENT IN CROWN CORPORATIONS

Question No. 362—**Mr. Howard:**

What action has been taken with the recommendations of the Royal Commission on the Status of Women that federal Crown Corporations and agencies (a) develop transfer and promotion measures that will encourage women to move out of the traditionally female occupations into other occupations, and (b) emphasize in recruitment programs that all occupations are open equally to women and men?

Hon. John C. Munro (Minister of Labour): (a) Generally speaking, Crown Corporations and agencies continue to encourage women to seek transfers and promotions to all available positions for which they have the qualifications and aptitudes. In some cases, (where applicable), those not qualified are given on-the-job training and formal training opportunities and encouragement. (b) In recruiting programs, it is emphasized that all jobs are open equally to men and women.

STATUS OF WOMEN COMMISSION—PLAN TO BETTER USE OF WOMANPOWER WITHIN ITS ORGANIZATION

Question No. 363—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that each federal Crown Corporation and agency devise a long-term plan for the better use of womanpower within its organization?

Hon. John C. Munro (Minister of Labour): Generally speaking, no special provision has been made in long term development plans since women are considered on an equal basis with men.

STATUS OF WOMEN COMMISSION—APPOINTMENT OF PERSONNEL IN CROWN CORPORATIONS TO TRAIN WOMEN

Question No. 364—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that, where the size of staff warrants it, federal Crown Corporations and agencies appoint one or more qualified people whose primary duty for the next five to eight years will be to provide for the training and development of women in their organizations?

Hon. John C. Munro (Minister of Labour): In most Crown Corporations and agencies, the size of the staff does not warrant the appointment of a special person for the training and development of women in their organizations. Where applicable, some corporations have appointed special persons for this function; others have assigned the responsibility to the relevant branches of the personnel department.

STATUS OF WOMEN COMMISSION—CONSIDERATION OF WOMEN FOR ROTATION IN CROWN CORPORATIONS

Question No. 365—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that federal Crown Corporations and agencies with rotational programs between field and head offices ensure that women are considered for rotation on the same basis as men and are not judged in advance on their freedom to rotate?

Hon. John C. Munro (Minister of Labour): Generally speaking, the policy of Crown Corporations and agencies, which have rotational programs, has been to consider women for rotation on the same basis as men.

STATUS OF WOMEN COMMISSION—CROWN CORPORATIONS EMPLOYMENT OF WOMEN IN RECRUITMENT AND SELECTION PROGRAMS

Question No. 366—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that federal Crown Corporations and agencies (a) review their selection procedures to ensure that women are used in recruitment and selection programs, and (b) have senior women officers on their personnel administration staffs?

Hon. John C. Munro (Minister of Labour): (a) Generally speaking, selection procedures have been reviewed and where necessary more women are being used in recruitment and selection procedures. (b) Many Crown Corporations and agencies now have senior women officers on their personnel administration staffs.

STATUS OF WOMEN COMMISSION—ELIMINATION OF DIFFERENT PROVISIONS ON BASIS OF SEX FROM SUPERANNUATION AND INSURANCE PLANS

Question No. 367—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that different provisions on the basis of sex be eliminated from superannuation and insurance plans for federal Crown Corporations and agencies?

Hon. John C. Munro (Minister of Labour): Employees of many Crown Corporations and agencies are under the Public Service Superrannuation Act and Regulations. As indicated in the answer to question no. 397 the Act has been studied by the Advisory Committee on the Public Service Superannuation Act and a report has been made to the Minister. The Government's decision will be announced in due course. With respect to other Crown Corporations and agencies, where such provisions are still included in superannuation and insurance plans, changes in the plans are under consideration.

STATUS OF WOMEN COMMISSION—CAREER OPPORTUNITIES IN CROWN CORPORATIONS AND EDUCATIONAL INSTITUTIONS

Question No. 368—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that federal Crown Corporations and agencies (a) make clear to educational institutions, and to the public, that career opportunities within their organizations are open to women and that they are encouraging women to prepare themselves for such careers; and (b) require each private organization with which they do business to include in each contract, a clause that prohibits discrimination in employment on the basis of sex?

Hon. John C. Munro (Minister of Labour): (a) Generally speaking, the Crown Corporations and agencies make clear to educational institutions and to the public that career opportunities within their organizations are open to women. (b) Generally speaking, no such stipulation is

included in contracts with private organizations, although some corporations do make provision for safeguards in this respect.

STATUS OF WOMEN COMMISSION—AMENDMENT OF ROYAL CANADIAN MOUNTED POLICE SUPERANNUATION ACT TO INCLUDE FEMALE AND MALE CONTRIBUTORS

Question No. 369—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Royal Canadian Mounted Police Superannuation Act be amended so that its provisions will be the same for both female and male contributors?

Hon. John C. Munro (Minister of Labour): Appropriate legislative amendments to the Public Service Superannuation Act are under active review respecting benefits to female contributors. Consequently changes affecting the Public Service Superannuation Act will, where appropriate, result in similar amendments being made to the R.C.M. Police Superannuation Act.

STATUS OF WOMEN COMMISSION—FEMALE ENLISTMENT IN ROYAL CANADIAN MOUNTED POLICE

Question No. 370—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that enlistment in the Royal Canadian Mounted Police be open to women?

Hon. John C. Munro (Minister of Labour): For many years the Royal Canadian Mounted Police has engaged females for certain functions within the Force. Presently, a study is being conducted into force requirements to determine where females, if engaged as regular members, could be used to best advantage.

STATUS OF WOMEN COMMISSION—TRADES OPEN TO WOMEN IN CANADIAN ARMED FORCES

Question No. 371—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that all trades in the Canadian Forces be open to women?

Hon. James Richardson (Minister of National Defence): A study was conducted to ascertain which trades and classifications in the Canadian Armed Forces could be opened to women. Women will be excluded from those classifications and trades which call for service in primary combat roles, sea-going duty and duty in isolated areas. However, the following trades and classifications are now open to women and this new policy could over a period of time increase the number of women in the Forces to some 2,000 officers and about 5,000 other ranks: Officer Classification—Open to Women: Aerospace Engineer; Communications/Electronics Engineer; Dental; Medical; Medical Associate; Nursing; Air Traffic Controller; Air Weapons Controller; Legal; Meteorology; Musician; Personnel Development; Personnel Support. Other Ranks Trades—Open to Women: Meteorological Technician; Photographic Technician; Air Traffic Controller; Air Traffic Control Assistant; Operation Plotter; Teletype Operator; Communications Operator; Terminal Equipment Technician; Teletype and Cipher Technician; Communication Technician; Safety Systems Technician; Metals Technician; Machinist; Refinisher Technician; Medical Assistant; Operating Room Assistant; Laboratory Technician; X-Ray Technician; Hygiene Technician; Biosciences Technician; Dental Clinical Assistant; Dental Laboratory Technician; Dental Equipment Maintenance Technician; Dental Therapist; Administrative Clerk; Accounting and Finance Clerk; Physical Education and Recreation Instructor; Musician; Draughtsman; Supply Technician.

[Mr. Munro (Hamilton East).]

STATUS OF WOMEN COMMISSION—ELIMINATION OF PROHIBITION ON ENLISTMENT OF MARRIED WOMEN IN CANADIAN FORCES

Question No. 372—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the prohibition on the enlistment of married women in the Canadian Forces be eliminated?

Hon. James Richardson (Minister of National Defence): Marital status is not one of the enrolment criteria for enlistment in the Canadian Armed Forces for either men or women.

STATUS OF WOMEN COMMISSION—INITIAL ENGAGEMENT IN ARMED FORCES

Question No. 373—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the length of the initial engagement for which personnel are required to enlist in the Canadian Forces be the same for women and men?

Hon. James Richardson (Minister of National Defence): Both men and women are enrolled as other ranks in the Canadian Forces for an initial five year period. Officers, however, are enrolled for indefinite service or for a fixed period depending on the plan under which they receive their commission.

STATUS OF WOMEN COMMISSION—CANADIAN ARMED FORCES MATERNITY BENEFITS

Question No. 374—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that release of a woman from the Canadian Forces because she has a child be prohibited?

Hon. James Richardson (Minister of National Defence): The present policy concerning a woman who has a child while serving in the Canadian Forces is that release will only occur where the individual woman so requests it, or where there is a clear indication that her retention will conflict with service requirements. Maternity benefits available to the serving woman now include leave entitlement and medical care.

STATUS OF WOMEN COMMISSION—CANADIAN FORCES SUPERANNUATION ACT

Question No. 375—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Canadian Forces Superannuation Act be amended so that its provisions will be the same for male and female contributors?

Hon. James Richardson (Minister of National Defence): The recommendation to amend the Canadian Forces Superannuation Act so that its provisions will be the same for both male and female contributors is being studied in concert with other government pension plans. Any change would require legislation and would be presented to parliament in the normal manner.

STATUS OF WOMEN COMMISSION—POLICY STATEMENT BY FEDERAL GOVERNMENT ENSURING EQUALITY OF OPPORTUNITY IN EMPLOYMENT

Question No. 376—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that (a) the federal government issue a policy statement to the Ministers of all federal government departments, the heads of Crown Corporations and agencies, and the Speakers of the Senate and the House of Commons, expressing its intention to (i) ensure equality of opportunity in employment for women and the greater use of womanpower, and (ii) undertake short-term special measures where these are necessary to achieve its objectives; and (b) an information programme be undertaken so that management and supervisors at all levels in the Government of Canada be made aware of the government's policy regarding its employment of women?

Hon. John C. Munro (Minister of Labour): With respect to part (a) of the Recommendation, a Cabinet Directive was issued to deputy heads of all government departments and agencies in April 1972, directing them to "take steps to encourage the assignment and advancement of more women into middle and upper échelon positions". With respect to (b), this has been effectively implemented through the Cabinet Directive, the departmental activities and the service-wide Committee on Equal Opportunities for Women in the Public Service developed by the Public Service Commission's EOW Office and jointly chaired by the Commission and the Treasury Board, as well as the widespread public attention being focussed on the federal government's equal opportunities program.

STATUS OF WOMEN COMMISSION—NATIONAL HOUSING LOAN REGULATIONS

Question No. 377—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the National Housing Loan Regulations be amended so that (a) for purposes of the gross debt service ratio, either husband or wife may be deemed to be the purchaser or owner and (b) up to 50 per cent of the income of the spouse of the purchaser or owner, or of the spouse of the person deemed to be the purchaser or owner, may be included in computing the annual income?

Hon. John C. Munro (Minister of Labour): (a) and (b) The National Housing Loan Regulations were amended by Order in Council P.C. 1971-1767, August 18, 1971 to provide that either the husband or wife could be considered the home owner or the home purchaser, and that up to 50 per cent of the spouse's income can be included with the applicant's income. A further amendment to the National Housing Loan Regulations by Order in Council P.C. 1972-1836, dated August 24, 1972, makes it possible to include up to 100 per cent of the spouse's income for the purpose of qualifying for an NHA loan.

STATUS OF WOMEN COMMISSION—PARTICIPATION BY SPOUSE IN CANADA AND QUEBEC PENSION PLANS

Question No. 378—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission of the Status of Women that (a) both the Canada and Quebec Pension Plans be amended so that the spouse who remains at home can participate in the Plan, and (b) the feasibility be explored of (i) crediting to the spouse remaining at home a portion of the contributions of the employed spouse and those contributions made by the employer on the employed spouse's behalf, and (ii) on an optional basis, permitting the spouse at home to contribute as a self-employed worker?

Hon. John C. Munro (Minister of Labour): The Minister of National Health and Welfare will meet with his provincial colleagues in April to examine the total Canadian social security system, and to determine the manner and extent to which the present system might be more satisfactorily organized and made more responsive to the needs of Canadians. Such issues, as posed by the Royal Commission on the Status of Women, would fall within the scope of these discussions. With respect to the Quebec Pension Plan, amendments were made on January 1st, 1973, and no action was taken by the Government of Quebec in regard to these particular recommendations of the Royal Commission on the Status of Women.

STATUS OF WOMEN COMMISSION—WOMEN'S VOLUNTARY ASSOCIATIONS

Question No. 379—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government (a) make greater use of women's voluntary associations; and (b) increase their financial support ot (i) women's voluntary associations engaged in projects of public interest, and (ii) voluntary associations working in fields of particular concern to women?

Hon. John C. Munro (Minister of Labour): The Citizenship Branch of the Department of the Secretary of State has increased its financial support to women's voluntary organizations engaged both in projects of public interest and projects related directly to the concern of women from $6,000 in 1971-72 to $75,000 in 1972-73.

STATUS OF WOMEN COMMISSION—ILO, INSTRUMENT OF RATIFICATION OF CONVENTION 100

Question No. 380—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that a federal-provincial conference on labour legislation affecting women in Canada be called to prepare for Canada's ratification of the International Labour Organization Convention Concerning Equal Remuneration for Men and Women Workers for Work of Equal Value (Convention 100)?

Order Paper Questions

Hon. John C. Munro (Minister of Labour): Canada deposited with the ILO the Instrument of Ratification of Convention 100 on November 16, 1972.

STATUS OF WOMEN COMMISSION—CANADA LABOUR STANDARDS CODE—EQUAL WAGES PROVISIONS

Question No. 381—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal Female Employees Equal Pay Act be amended to apply to all employees of the Government of Canada?

Hon. John C. Munro (Minister of Labour): The Female Employees Equal Pay Act was revoked, effective July 1, 1971, by an Act to amend the Canada Labour (Standards) Code and equal wages provisions are now included in Part III of the Canada Labour Code (Labour Standards). Part III of the Code does not apply to employees of the Government of Canada.

STATUS OF WOMEN COMMISSION—FAIR WAGES AND HOURS OF LABOUR REGULATIONS

Question No. 382—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal Female Employees Equal Pay Act, the federal Fair Wages and Hours of Work Regulations and equal pay legislation of provinces and territories require that (a) the concept of skill, effort and responsibility be used as objective factors in determining what is equal work, with the understanding that pay rates thus established will be subject to such factors as seniority provisions; (b) an employee who feels aggrieved as a result of an alleged violation of the relevant legislation, or a party acting on her behalf, be able to refer the grievance to the agency designated for that purpose by the government administering the legislation; (c) the onus of investigating violations of the legislation be placed in the hands of the agency administering the equal pay legislation which will be free to investigate, whether or not complaints have been laid; (d) to the extent possible, the anonymity of the complainant be maintained; (e) provision be made for authority to render a decision on whether or not the terms of the legislation have been violated, to specify action to be taken and to prosecute if the orders are not followed; (f) where someone has presented the aggrieved employee's case on her behalf and the aggrieved employee is unsatisfied with the decision, she have the opportunity to present her case herself to the person or persons rendering the decision who may change the decision; (g) the employee's employment status be in no way adversely affected by application of the law to her case; (h) where the law has been violated, the employee be compensated for any losses in pay, vacation and other fringe benefits; (i) unions and employee organizations, as well as employers and employer organizations, be subject to this law; (j) penalties be sufficiently heavy to be an effective deterrent; and (k) the legislation specify that it is applicable to part-time as well as to full-time workers?

Hon. John C. Munro (Minister of Labour): 1. The Canada Labour (Standards) Code as amended on July 1, 1971, revoked the former Female Employees Equal Pay Act and set out provisions relating to equal pay which substantially meet the requirements of these recommendations.

2. The recommended amendments to the Fair Wages and Hours of Labour Regulations are under consideration.

3. The Minister of Labour cannot answer for the provinces and the territories.

[Mr. Howard.]

STATUS OF WOMEN COMMISSION—PAY RATES FOR NURSES, DIETITIANS, HOME ECONOMISTS, LIBRARIANS, AND SOCIAL WORKERS

Question No. 383—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the pay rates for nurses, dietitians, home economists, librarians and social workers employed by the federal government be set by comparing these professions with other professions in terms of the value of the work and the skill and training involved?

Hon. John C. Munro (Minister of Labour): Members of the Nursing, Home Economics, Library Science and Social Work occupational groups, like members of most other occupational groups in the Federal Public Service, bargain collectively for their terms and conditions of employment under the Public Service Staff Relations Act. They are represented by the union of their choice. Employees represented by union have the fullest opportunity to advance those factors which they believe should be taken into account in determining terms and conditions of employment including rates of pay. In the event that agreement cannot be reached by negotiation, employees have a choice of arbitration or conciliation as a means of dispute resolution. The Employer's position in all Public Service negotiations has consistently been that of paying salaries commensurate with those paid by other employers in Canada, i. e. those paid by the competition.

STATUS OF WOMEN COMMISSION—CANADA AND QUEBEC PENSION PLAN

Question No. 384—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that legislation on the Canada Pension Plan and the Quebec Pension Plan be amended so that the provisions applicable to the wife and children of a male contributor will also be applicable to the husband and children of a female contributor?

Hon. John C. Munro (Minister of Labour): See response to Question 378.

STATUS OF WOMEN COMMISSION—RECOMMENDATIONS CONCERNING UNEMPLOYMENT INSURANCE ACT

Question No. 385—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Unemployment Insurance Act and Regulations be amended to provide a common definition for "dependants" of women and men contributors?

Hon. John C. Munro (Minister of Labour): When regulations were made on 6 July, 1971 under the Unemployment Insurance Act, 1971, the subsection which placed a limit on the earnings that a dependant could receive and still be considered a dependant was changed from what it had read under the former Act to provide a common definition for "dependant" of men and women contributors. Also under these regulations a common law wife can be considered a dependant of a claimant. On 20 June, 1972, the regulations were amended so that a common law husband could be considered as a dependant. The only difference that now remains is that the regulations provide that a man can consider his wife as a dependant if

she is being maintained wholly or mainly by him whereas a wife can consider her husband as a dependant if he is dependant on her.

STATUS OF WOMEN COMMISSION—EMPLOYEE-EMPLOYER RELATIONSHIP

Question No. 386—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal Unemployment Insurance Act be amended to apply to all employees working in an established employee-employer relationship?

Hon. John C. Munro (Minister of Labour): The new Unemployment Insurance Act which came into force on June 27, 1971, effectively implemented Recommendation 15 of the Royal Commission on the Status of Women, which stated: "We recommend that the federal Unemployment Insurance Act be amended to apply to all employees working in an established employee-employer relationship". This new Act extends considerably unemployment insurance coverage, with the result that the great majority of employees working in an employer-employee relationship are now protected. About 98% of persons under a contract of service are now covered. The very few individuals who are not, remain outside the plan for reasons such as having only a very casual or minor attachment to the labour force, they can be considered to have retired or they should not be insured in their employment at a particular time because of their relationship to their employer.

STATUS OF WOMEN COMMISSION—MATERNITY LEAVE

Question No. 387—**Mr. Howard:**

What action has been taken with recommendations of the Royal Commission on the Status of Women that the amendment of the federal Fair Employment Practices Act provide for (a) an employed woman's entitlement to 18 weeks maternity leave, (b) mandatory maternity leave for the six-week period following her confinement unless she procures a medical certificate that working will not injure her health, and (c) prohibition of dismissal of an employee on any grounds during the maternity leave to which she is entitled?

Hon. John C. Munro (Minister of Labour): Part III of the Canada Labour Code (Labour Standards) now includes provisions for maternity leave of 17 weeks, and the other requirements of recommendations (b) and (c).

STATUS OF WOMEN COMMISSION—MATERNITY LEAVE BENEFITS

Question No. 388—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Unemployment Insurance Act be amended so that women contributors will be entitled to unemployment benefits for a period of 18 weeks or for the period to which their contributions entitle them, whichever is the lesser, (a) when they stop paid work temporarily for maternity reasons or (b) when during a period in which they are receiving unemployment benefits, they become unable to work for maternity reasons?

Hon. John C. Munro (Minister of Labour): The amendments to the Unemployment Insurance Act which became effective on June 27, 1971, fulfilled the intent of this recommendation of the Royal Commission on the Status of Women. The Unemployment Insurance Act (1971) provides that women with the necessary attachment to the labour force, which is defined as 20 or more weeks of contributions in a qualifying period, are entitled to 15 weeks of benefit which are payable as follows: eight weeks before the week of confinement, the week of confinement and six weeks after the confinement.

STATUS OF WOMEN COMMISSION—ELIMINATION OF DISCRIMINATION ON BASIS OF SEX OF EMPLOYMENT ON AIR LINES

Question No. 389—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the elimination of any discrimination on the basis of sex in the terms and conditions of employment for air crew on air lines?

Hon. John C. Munro (Minister of Labour): On may 10, 1972 the Minister of Labour tabled for first reading Bill C-206, an act to amend the Canada Labour Code and the Public Service Employment Act with respect to discrimination in employment based on age, sex and marital status. The Bill would have prohibited discrimination in respect of any term or condition of employment on grounds of sex in respect of all employment within the legislative authority of the Parliament of Canada. That employment includes air crews on airlines. The Bill died on the order paper in the last parliament.

The Department of Labour is reviewing Bill C-206 with a view to preparation of a successor Bill.

STATUS OF WOMEN COMMISSION—SEX-TYPING OF OCCUPATIONS

Question No. 390—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that sex-typing of occupations be avoided in the text and in the illustrations of all federal government publications?

Hon. John C. Munro (Minister of Labour): I have been given the following information by the Public Service Commission.

It is now a policy of the Public Service Commission to avoid any sex-typing of occupations in the text and illustrations of its publications, which are subject to regular review through the Commission's Public Relations Division and the Office of Equal Opportunities for Women. The bulk of the federal government careers and occupations material is produced by the Public Service Commission, thus ensuring implementation of the recommendation generally throughout the service.

STATUS OF WOMEN COMMISSION—DISCRIMINATION IN JOB REFERRALS

Question No. 391—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the Canada Department of Manpower and Immigration refuse to make arrangements for firms to interview students in connection with

positions for which the firms have specified sex preferences or sex requirements?

Hon. John C. Munro (Minister of Labour): Canada Manpower Centres, in the conduct of their referral operations, are bound by the Unemployment Insurance Act, 1971, which stipulates inter alia, that they shall not discriminate in the referral of any job applicant to an employer on the basis of sex, except where such a limitation, specification or preference is based upon a bona fide occupational qualification.

STATUS OF WOMEN COMMISSION—RECOMMENDATION THAT SEX AND MARITAL STATUS BE INCLUDED AS PROHIBITIVE GROUNDS FOR DISCRIMINATION

Question No. 392—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that (a) the Fair Employment Practices Act be amended to (i) include "sex" and "marital status" as prohibited grounds for discrimination, and (ii) apply to all employees of the Government of Canada; and (b) The Fair Wages and Hours of Work Regulations be amended to include "sex" and "marital status" as prohibited grounds for discrimination?

Hon. John C. Munro (Minister of Labour): (a) On May 10, 1972, the Minister of Labour tabled in the House of Commons Bill C-206, an act to amend the Canada Labour Code and the Public Service Employment Act with respect to discrimination in employment based on age, sex and marital status. The Bill died on the order paper in the last parliament. A successor Bill is under consideration. (b) The recommended amendments to the Fair Wages and Hours of Labour Regulations are under consideration.

STATUS OF WOMEN COMMISSION—INCREASE IN NUMBER OF WOMEN ON FEDERAL BOARDS, ETC.

Question No. 393—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government increase significantly the number of women on federal Boards, Commissions, Corporations, Councils, Advisory Committees and Task Forces?

Hon. John C. Munro (Minister of Labour): The government has made 200 Order-in-Council appointments of women since it took office in 1968. These include twenty-four full-time appointments, among whom are two at the deputy minister level, Dr. Sylvia Ostry and Dr. Jean Boggs, four are judges and the rest are to full-time positions on such boards as the Canadian Transport Commission, the Economic Council of Canada, the National Parole Board, the Pension Board, the Public Service Commission, the Citizenship Court, the Canadian Pension Commission, The Immigration Appeal Board, as well as the Law Reform Commission and the LeDain Commission. There have also been 176 appointments to part time boards such as the Science Council, the National Film Board, the Canada Development Corporation and others. When a position is vacant, a reminder is sent out to the minister responsible for filling the position, to take into account not only the ethnic, linguistic and geographic factors but also the need to appoint more women.

[Mr. Howard.]

STATUS OF WOMEN COMMISSION—STUDY OF FEASIBILITY OF GREATER USE OF PART-TIME WORK IN CANADIAN ECONOMY

Question No. 394—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government undertake a study of the feasibility of making greater use of part-time work in the Canadian economy?

Hon. John C. Munro (Minister of Labour): The Canada Department of Labour is now studying this question.

STATUS OF WOMEN COMMISSION—ELIMINATION OF DIFFERENTIAL TREATMENT OF NURSING ASSISTANTS AND NURSING ORDERLIES

Question No. 395—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the differential treatment of Nursing Assistants and Nursing Orderlies in the federal Public Service be eliminated?

Hon. John C. Munro (Minister of Labour): There has recently been an amendment to the classification standard which places nursing assistants and nursing orderlies at the same wage level thus removing the wage differential. After discussions with the bargaining agent this change in the standard has been made retroactive to January 1, 1972.

STATUS OF WOMEN COMMISSION—CLASSIFICATION OF SECRETARIAL POSITIONS

Question No. 396—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the positions of secretaries in the federal Public Service be classified by one of the methods used for other classes in the federal Public Service?

Hon. John C. Munro (Minister of Labour): Arising from the recommendations of the Royal Commission on the Status of Women several alternative methods of evaluating secretarial positions in the Public Service have been examined. The most feasible method is to be determined after a test is carried out using actual positions in a number of major departments. These studies are expected to be completed by the end of September 1973.

STATUS OF WOMEN COMMISSION—AMENDMENT OF PUBLIC SERVICE SUPERANNUATION ACT

Question No. 397—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal Public Service Superannuation Act be amended so that (a) there will be no differences in the provisions on the basis of sex, and (b) the surviving spouse of a contributor will be paid the supplementary death benefits?

Hon. John C. Munro (Minister of Labour): At the request of the President of The Treasury Board, this recommendation was studied by the Advisory Committee on the Public Service Superannuation Act and a report has been made to the Minister. The Government's decision will be announced in due course.

STATUS OF WOMEN COMMISSION—REMOVAL EXPENSES

Question No. 398—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal Removal Expenses Regulations be amended so that the expenses paid for the wife of an employee will also be paid for the husband of an employee?

Hon. John C. Munro (Minister of Labour): A new "Relocation Directive" including appropriate provisions to implement the recommendation is being developed by the Treasury Board Secretariat with a view to issuance in the near future. The Relocation Directive will replace the Removal Expenses Regulations.

STATUS OF WOMEN COMMISSION—MATERNITY LEAVE

Question No. 399—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Royal Commission on the Status of Women that the federal Public Service Terms and Conditions of Employment Regulations be amended by (a) deleting section 50(2), and (b) substituting the provision that, during the six weeks period preceeding the expected date of an employee's confinement, a deputy head may direct the employee to proceed on maternity leave unless she produces a medical certificate that she is able to work?

Hon. John C. Munro (Minister of Labour): (1) Section 50(2) of the Public Service Terms and Conditions of Employment Regulations has not been deleted; (2) Section 50 of the said Regulations was amended by Treasury Board on September 23, 1971 as follows: "(1) Every female employee who becomes pregnant and who applies for leave of absence without pay (hereinafter called "maternity leave") shall be granted maternity leave by her deputy head for a period commencing at least eleven weeks before the expected date of the termination of her pregnancy and ending not later than six months after the date of the termination of her pregnancy." "(2) the deputy head may, (b) grant maternity leave to any female employee to commence earlier than eleven weeks before the expected termination of pregnancy;" This amendment increased from two months to eleven weeks the length of time a female employee is entitled to be granted maternity leave prior to the expected termination date of her pregnancy. This amendment brings the subsection in line with amendments to the Canada Labour Code as passed by parliament and proclaimed July 1, 1971.

STATUS OF WOMEN COMMISSION—PAYMENT OF SUPERANNUATION AND GSMP CONTRIBUTIONS WHILE EMPLOYEE ON MATERNITY LEAVE

Question No. 400—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal government continue to pay the employer's contribution to the superannuation and Group Surgical-Medical Plans when an employee is on maternity leave?

Hon. John C. Munro (Minister of Labour): On March 30, 1972 the Treasury Board revoked the Group Surgical-Medical Insurance Regulations and approved the Public Service Health Insurance Regulations. Among the provisions contained therein was one providing supplementary health insurance coverage at the regular cost to employees on maternity leave.

The recommendation of the Royal Commission on the Status of Women in relation to the Group Surgical-Medical Insurance Plan has therefore been implemented.

The further recommendation relating to superannuation contributions is being considered with the other recommendations on the provisions of the Public Service Superannuation Act referred to in Question No. 397.

STATUS OF WOMEN COMMISSION—PUBLIC SERVICE BINDING POSITIONS

Question No. 401—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that federal Public Service bindery positions at levels 1 and 2 be open to women and men on the same basis and that the job title "journeywomen" be eliminated?

Hon. John C. Munro (Minister of Labour): The Public Service bindery positions at levels 1 and 2 are now open to men and women on the same basis and the job title "journeywomen" has been eliminated.

STATUS OF WOMEN COMMISSION—APPOINTMENT OF WOMEN FEDERAL GOVERNMENT DEPARTMENTS

Question No. 402—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that, until the sex-typing of occupation is eradicated the federal Public Service Commission and federal government departments (a) take special steps to increase the number of women appointed to occupations and professions not traditionally female, (b) review and, where necessary alter their recruitment literature and recruiting programs to ensure that it is abundantly clear that women are wanted in all occupations and professions, and (c) take special steps to obtain applications from qualified women when appointments for senior levels are outside the service?

Hon. John C. Munro (Minister of Labour): I have been given the following information by the Public Service Commission. With reference to part (a) of the Recommendation, the establishment of the Commission's Office of Equal Opportunities for Women in February 1971 constituted a "special step" in this direction, since one of the functions of this Office is to propose and promote programs and special measures within the public service that will ensure equality of opportunity is provided in all aspects of employment, including recruitment and selection, training and development, promotion, etc. Further special impetus came with the issuing of a Directive by the Cabinet in April 1972, sent to deputy heads of all government departments directing them to "take steps to encourage the assignment and advancement of more women into middle and upper échelon positions". The Cabinet Directive provided a policy framework for departmental activities and resulted in the establishment by the Commission's EOW Office of an interdepartmental committee to co-ordinate action and provide a mechanism for exchanging information and measuring progress. Twenty-three departments are represented on the committee which meets in full session four times yearly, with work groups meeting on an ad hoc basis to deal with

special problem areas and matters affecting the employment of women in the public service. A further point on part (a) of the Recommendation: appointment activity in recent months indicates there is an increase of women in non-traditional occupational groups. To illustrate, a women has been appointed director of the Secretary of State department's Social Action Branch; another has been appointed director of information for the Department of Communications; another woman has been appointed director of the Socio-Economic Program at the Public Service Commission; the Agriculture Department has appointed four female agricultural officers, the first in the history of the department; three women are in trade commissioner training at the Department of Industry, Trade and Commerce, etc. An employment information counsellor is being appointed at the Public Service Commission to further assist capable women both within and those from outside the service, in learning of employment opportunities throughout the service. On part (b) of the Recommendation action has been taken through the development of special education and information projects by the Commission, among them the production of an equal opportunities audio-visual presentation, an equal opportunities newsletter entitled "Interaction", (25,000 copies of which are issued five times yearly), and brochures and posters which have been distributed across Canada, both within and outside the public service, to heighten awareness of the federal government as an equal opportunities employer. In addition, special attention is being paid through recruiting programs, speeches, seminars and discussions in universities, community colleges and high schools to encourage girls and young women to prepare for careers in "shortage areas" and traditional male-oriented occupations, such as accounting, commerce, economics, statistics, financial administration, etc. The Commission's new advertising policy, noted above, requiring all advertising posters to carry immediately below the logo, the words "This competition is open to both men and women," has become a further means of making it "abundantly clear that women are wanted in all occupations and professions". Early trends on results of this new policy, indicate that it is resulting in an increase of applications from women, particularly in the non-traditional applied sciences fields. A more detailed evaluation of policy is currently being conducted. Regarding part (c) of this recommendation, special efforts are being made to ensure that capable women from within the service as well as outside the service are fully considered for competitions at the senior levels. An inventory has been compiled of qualified women within the service who would be suitable candidates for senior executive positions. (Two new appointments of women to the senior executive category were made in November, 1972). In addition, in order to increase the number of applications from capable women outside the service, universities, national associations, and other sources have been drawn upon as resources for developing a roster of qualified women from whom such applications may be derived. The advertising policy directive of June, 1972 is another special means of increasing applications from women inside as well as outside the service.

[Mr. Munro (Hamilton East).]

STATUS OF WOMEN COMMISSION—ELIMINATION OF IMBALANCE PROPORTION OF WOMEN AND MEN IN SENIOR POSITIONS

Question No. 403—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal Public Service Commission and federal government departments have as an objective the elimination of the imbalance in the proportion of women and men in senior positions and (a) as much as is feasible, emphasize potential rather than experience as a basis for appointment or promotion; (b) ensure that vacancies are open to employees at a classification level low enough to permit consideration of qualified women; and (c) when a job opens, make sure that women candidates get full consideration including the evaluation of their experience in volunteer work and running a household if it is relevant?

Hon. John C. Munro (Minister of Labour): I have been given the following information by the Public Service Commission. Regarding part (a) of this Recommendation, "potential" is one of the three major factors in the evaluation of a candidate for selection and promotion, the other two being "knowledge" and "experience". On part (b) the Office of Equal Opportunities for Women maintains an inventory by department, group and level of all women in the public service in the scientific and professional and administrative and foreign service categories and is carrying out comparative analyses on the career and mobility patterns of men and women in the service, with a view to identifying problem areas requiring special action. The Commission has responsibility for defining the area of competition, under Section 13(b) of the Public Service Employment Act, and in so doing care is taken to ensure that the area is broad enough to include qualified persons at lower levels who have potential for development. Action on part (c) of the Recommendation has been taken with the issuing of a directive by the Public Service Commission to departments concerning the assessment of all relevant volunteer experience in candidate selection.

STATUS OF WOMEN COMMISSION—WOMEN IN ADMINISTRATIVE POSITIONS

Question No. 404—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that the federal Public Service Commission and federal government departments (a) introduce programmes that will ensure the consideration of secretaries for administrative positions, and (b) open up intermediate and senior administrative positions to women in traditionally female professions?

Hon. John C. Munro (Minister of Labour): I have been given the following information by the Public Service Commission: Part (a) of this recommendation is being implemented with the development by the Commission of two special courses: (i) Self-Development and Career Growth for Secretaries (two weeks in length), and (ii) Special Officers' Development Course for the Administrative Support Category (three weeks in length) During the 1972-73 fiscal year six courses in each of the two programs have been held with an average 33 participants each. A similar number of courses in both programs is scheduled for the 1973-74 fiscal year, available in both French and English. The two programs are the initial steps in long-term efforts to improve opportunities for administrative

support personnel, the majority of whom are women, to advance into the officer groups. Comprehensive evaluations are being carried out by the Public Service Commission in 1973, to assess the effectiveness of the two programs, and in the case of the Special Officers' Development program, to assess the post-course assignment phase of the program, in which course participants return to their home departments for a six to ten month developmental assignment to prepare them for promotion competitions for officer positions. Initial indications from the assignment of the first Officers' Development Course of February 1972, indicate a positive trend. Eight months after the course, of the 29 first course participants, eight had been promoted to officer positions with a further nine promotions predicted within four months. On part (b) of the Recommendation, the Commission is examining the occupational and salary levels of women in traditionally female professions such as nursing, library science, and social welfare work as a preliminary step in determining appropriate means of increasing opportunities for persons in these groups to attain intermediate and senior administrative positions.

STATUS OF WOMEN COMMISSION—WOMEN IN ADMINISTRATIVE TRAINEE POSITIONS

Question No. 405—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that (a) a special effort be made to attract more women applicants for administrative trainee positions in the federal Public Service, and (b) federal government departments ensure that women administrative trainees are given the kind of training assignments that will prepare them for advancement to the senior levels?

Hon. John C. Munro (Minister of Labour): Currently, approximately 30 per cent of administrative trainee positions are filled by women. However, special efforts are being made by the Commission through the university recruitment programs, the EOW newsletter "Interaction", speeches, literature and audio-visual presentations, etc., to attract more women at the point of intake, as well as to ensure that the assignments of both male and female administrative trainees are creative and preparatory for career advancement. A major evaluation of the administrative trainee program is being carried out by the Commission program responsible for recruiting administrative trainees, and will track the 1967-1969 period using linguistic and sex breakdowns, examining the AT population, the assignment phase of the program, advancement rates, attrition rates etc., with a view to determining future courses for action. On the matter of female representation levels in the AT group, it should be noted that currently approximately 37 per cent of all university graduates are women, and, as a consequence, the proportional intake of female university graduates is relatively comparable to the population from which the administrative trainee program draws.

Order Paper Questions

STATUS OF WOMEN COMMISSION—RECOMMENDATIONS TO INCREASE ENROLMENT IN PUBLIC SERVICE MANAGEMENT COURSES

Question No. 406—**Mr. Howard:**

What action has been taken with the recommendation of the Royal Commission on the Status of Women that action be taken to increase greatly the enrolment of promising women in federal Public Service management courses, including the step of waiving salary floors and age ceilings where necessary in their case?

Hon. John C. Munro (Minister of Labour): I have been given the following information by the Public Service Commission: A number of special projects are being undertaken in efforts to increase the number of women nominated by departments to centrally-run (i.e., Bureau of Staff Development and Training operated) mangement courses. The average participation rate of women in management courses currently is approximately 11% of the eligible female population in the service. These special efforts include: (a) Development of one or two day modules discussing the role of women in the work world, the management world, the attitudes of men and women and the socio-cultural influences affecting female work patterns, etc. These are being developed for incorporation by "animators" and trainees in BSDT courses to assist in attitude changing and motivating both men and women about changing work patterns and work roles. (b) Administering of an attitude survey to all participants of BSDT courses in 1972 (some 2,500 persons) sponsored by the Equal Opportunities for Women Office as a further means of changing attitudes. (c) Development of a special edition of the EOW newsletter "Interaction" on training and development policy and opportunities throughout the federal services. It is being prepared for March distribution with a basic 25,000 copies to be distributed to the regular "Interaction" audience, plus an additional 10,000 for selected distribution to training and development officers and women in junior and middle management positions in the service.

To further assist in improving female participation rates on departmentally run courses, the Commission, in conjunction with a Treasury Board Specialist (Women's Interests), is maintaining a watching brief on the training rates in the service through the Board's annual review of training and education.

TRADE OFFICES IN U.S.S.R.

Question No. 408—**Mr. Wagner:**

1. How many members of Canada's Embassy in Moscow are Trade and Commerce officers or directly involved in improving U.S.S.R.-Canada Trade?

2. Does the government have any consulates or trade missions in the U.S.S.R. located outside of Moscow?

3. Has the government approached the Government of the U.S.S.R. in the hope of establishing consulates or trade missions outside of Moscow and, if so, what has been the response?

4. In what other countries of the Warsaw Pact does Canada have consulates or trade offices outside the Capital City?

5. What efforts are being made to establish such offices?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): 1. The Department of Industry, Trade and Commerce has three officers at the Canadian Embassy in Moscow and all are directly involved in trade work.

2. There are no Canadian government offices outside Moscow in the U.S.S.R.

3. When Canada agreed to the establishment of a Soviet Consulate General in Montreal, one condition was that Canada should be able to establish, when it was required, a comparable office in the U.S.S.R., subject to mutual agreement at the time. This commitment was confirmed in the general communiqué issued at the end of Mr. Martin's visit to the U.S.S.R. in November 1966.

4. Canada has no offices outside the capital city in countries of the Warsaw Pact.

5. There are currently no efforts underway to establish such offices. Trade officers in capital cities currently travel extensively throughout their territory.

UNEMPLOYMENT INSURANCE ACT REGULATIONS—AMOUNTS REPAYABLE TO RECEIVER GENERAL

Question No. 499—**Mr. Symes:**

1. What amounts have been deemed repayable to the Receiver General in accordance with Section 49(1) of the Unemployment Insurance Act for each quarter of the calendar year 1972?

2. What amounts repayable to the Receiver General have been written off for each category under Section 175 of the Unemployment Insurance Act Regulations for each quarter in the calendar year 1972?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. Quarter ending 31 March 1972, $4,902,638; Quarter ending 30 June 1972, $9,-057,250; Quarter ending 30 Sept. 1972, $8,732,297; Quarter ending 31 Dec. 1972, $8,108,466.

2. Quarter ending 31 March 1972, $116,096; Quarter ending 30 June 1972, $93,920; Quarter ending 30 Sept. 1972, $169,333; Quarter ending 31 Dec. 1972, $216,172.

UNEMPLOYMENT INSURANCE FUND

Question No. 545—**Mr. Latulippe:**

How much money was there in the Unemployment Insurance Fund as of March 31 (a) 1968 (b) 1969 (c) 1970 (d) 1971 (e) 1972?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): March 31/1968, $302,652,438; March 31/1969, $382,340,546; March 31/1970, $458,141,955; March 31/1971, $323,636,998; March 31/1972, $33,686,598.

CANADA YEAR BOOK—COST, RECEIPTS AND COPIES 1971 AND 1972

Question No. 553—**Mr. Latulippe:**

1. What was the total cost for publishing the Canada Year Book in (a) 1971 (b) 1972?

2. What were the receipts obtained from the sale of the Canada Year Book in (a) 1971 (b) 1972?

3. How many copies were (a) printed (b) sold in (i) 1971 (ii) 1972?

Hon. John C. Munro (Minister of Labour):

[Mr. Gillespie.]

1. (a) 1970-71 Edition

English	$163,969.21
French	$110,497.14

(b) 1972 Edition

English	$201,382.75
French	$116,143.42

	2(a)	3(a)(i)	3(b)(i)
1970-71 Edition			
Cloth edition			
English	$25,290.80	10,495	6,271
French	4,684.80	2,312	1,376
Paper edition			
English	18,436.68	6,934	5,449
French	8,428.80	3,122	2,634
TOTALS:	$56,841.08	22,863	15,730

	2(a)	3(a)(i)	3(b)(i)
1972 Edition			
Cloth edition			
English	$12,705.60	10,350	3,647
French	3,475.20	2,261	1,124
Paper edition			
English	4,552.80	7,142	1,454
French	4,134.40	3,075	1,292
TOTALS:	$24,868.00*	22,828	7,517*

*Sales for period December 15, 1972 to February 1, 1973.

PUBLIC WORKS—CONFEDERATION BUILDING

Question No. 557—**Mr. Latulippe:**

Is it the intention of the government to build an underground tunnel linking the Confederation Building and the West Block for Members of Parliament to go from one building to the other and, if so, on what date will the project be implemented?

Hon. Jean-Eudes Dubé (Minister of Public Works): The whole matter of interconnection amongst the several buildings on and adjacent to Parliament Hill, including the Confederation Building, has been and is under study and review. Until this study has been completed, it is impossible to say what, it any, action will be taken in respect of a tunnel to the Confederation Building.

INSHORE OIL BOOM TENDER

Question No. 583—**Mr. Hellyer:**

Was the description of the required material in tender file No. LKT8080-2-1392 Inshore Oil boom that of a specific industrial product rather than a general specification and, if so, for what reason was this practice followed?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The description of the required material requested in the tender was a general specification.

OFY—WOMEN AND MARRIED STUDENT EMPLOYEES

Question No. 617—**Mr. McKenzie:**

1. How many OFY employees in 1971 and in 1972 were women and how many were married students?

2. What percentage of all of OFY employees were women?

3. What percentage of all OFY employees were married students?

4. How many and what percentage of women and married students employed by OFY in 1971 and in 1972 returned to university each fall?

Hon. James Hugh Faulkner (Secretary of State): 1. The Opportunities for Youth Program provided employment to 7,403 women in 1971 and 13,449 in 1972. There are no available statistics on the number of married students.

2. In 1971, 26.6%; in 1972, 44.9%.

3. There are no available statistics on the number of married students.

4. There are no available statistics for 1971. In 1972, 22,046 or 73.6% of all Opportunities for Youth project participants said they were continuing their education in the fall of 1972; these statistics were not broken down by sex and marital status.

OPPORTUNITIES FOR YOUTH PROGRAM—LOTBINIÈRE

Question No. 645—**Mr. Fortin:**

Has the Department of the Secretary of State invested funds in the constituency of Lotbinière through the Opportunities for Youth Programme and, if so (a) what is the amount (b) what is the complete list of individuals responsible for accepted projects (c) what was the amount of each grant allocated and the number of jobs thereby created?

Hon. James Hugh Faulkner (Secretary of State): A list of all projects funded under the 1972 Opportunities for Youth program has been completed. Projects are classified by province and in alphabetical order of the towns and cities in which the projects were carried out, not by constituency. Information includes the project title and number, a short description of the projects' activities, amount of the grant, number of participants, and the name and address of the project representative. This 421 page listing can be obtained from the Secretary of State Department.

ISSUANCE OF STAMP TO COMMEMORATE ROBERT BURNS

Question No. 655—**Mr. Macquarrie:**

Is it the intention of the Post Office Department to emulate that of the U.S.S.R. and other countries in issuing a stamp honouring the great poet Robert Burns?

Hon. André Ouellet (Postmaster General): It is not the intention of the Canada Post Office to issue a postage stamp honouring the Scottish poet Robert Burns. The policy of the Canada Post Office is that subjects selected for postage stamps should illustrate the cultural and economic life of Canada or contribute to an awareness of our traditions, accomplishments and history. Only ten to twelve subjects can be selected each year from several hundred suitable themes of significance and interest to Canada and Canadians. The revised commemorative stamp programme for 1973 is as follows: 31 January, François de Laval; 21 February, Algonkian Indians; 9 March, Royal Canadian Mounted Police Centennial; 18 April, Jeanne Mance; 16 May, Joseph Howe; 8 June, J.E.H. MacDonald; 29 June, Centennial of Prince Edward Island's; Entry into Confederation; 2 August, Royal Visit and Commonwealth Meeting; 14 September, Bicentennial of Arrival of Scottish; Settlers at Pictou, N.S.; 10 October, Nellie McClung; 1 November, Christmas; 28 November, Algonkian Indians.

UNEMPLOYMENT INSURANCE—1970, 1971 AND 1972

Question No. 671—**Mr. Horner (Crowfoot):**

By Province, how much money was paid out under the Unemployment Insurance scheme in the years 1970, 1971 and 1972?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration):

Province	Benefits Paid		
	1970	1971	1972
Newfoundland	$ 25m.	$ 33m.	$ 71m.
Prince Edward Island	$ 4m.	$ 5m.	$ 11m.
Nova Scotia	$ 26m.	$ 39m.	$ 73m.
New Brunswick	$ 25m.	$ 35m.	$ 71m.
Quebec	$212m.	$278m.	$ 567m.
Ontario	$230m.	$317m.	$ 607m.
Manitoba	$ 25m.	$ 43m.	$ 66m.
Saskatchewan	$ 22m.	$ 26m.	$ 51m.
Alberta	$ 34m.	$ 54m.	$ 110m.
British Columbia	$ 92m.	$111m.	$ 248m.
Yukon	n.a.	n.a.	$ 3m.
Northwest Territory	n.a.	n.a.	$ 1m.
CANADA	$695m.	$941m.	$1,879m.

"USER-PAY" POLICY WITH RESPECT TO AIRPORT FACILITIES

Question No. 700—**Mr. Stackhouse:**

1. Was a fund established for the financing of the government's "User-Pay" policy with respect to airport and air terminal facilities and, if so (a) on what date (b) by what method has it received monies (c) what is the fund's total at the present time?

2. Of this total how much has been used for the specific purposes of the fund?

3. Of the monies used, have any been used for the contruction of new or the replacment of existing facilities and, if so (a) what are the specific instances (b) how much has been expended in each case?

4. Have any monies been designated for use at (a) Ste. Scholastique Airport (b) Malton Airport (c) the proposed Pickering Airport and, if so (i) what are the amounts in each case (ii) over what period?

Hon. Jean Marchand (Minister of Transport): Vote L160 was established in the 1969-70 Estimates. The purpose of establishing this Vote was: "To authorize the operation of an Airports Revolving Fund in the current and subsequent fiscal years in accordance with terms and conditions prescribed by the Treasury Board, for the purpose

of the operation and development of the Montreal and Toronto International Airports and such other airports as Treasury Board may approve. . . " (a) April 1, 1969 (b) The Fund receives (a) all monies received from the operation of the said airports, and (b) all loans made by the Minister of Finance. (c) The Funds total Assets as at March 31, 1972 as shown in Public Accounts is $290,429,000.

2. Of this total all has been used for the specific purposes of the Fund.

3. Some of the money has been used for the construction of new facilties and some has been used for the replacement of exisitng facilities (a) and (b):

Montreal and Toronto International Airports	Construction of New Facilities	Replacement of Existing Facilities	Total
Dorval	$ 11,345,000	$1,241,000	$ 12,586,000
Ste. Scholastique	127,818,000		127,818,000
Malton	44,638,000	981,000	45,619,000
Pickering	1,801,000		1,801,000
	$185,602,000	$2,222,000	$187,824,000

The above covers Fiscal Years 1969-70 to 1971-72 inclusive.

4. (a) yes, (i) $255,449,000, (ii) Fiscal year 1969-70 to 1972-73 incl.; (b) yes, (i) $127,782,000, (ii) Fiscal year 1969-70 to 1972-73 incl.; (c) yes, (i) $67,888,000, (ii) Fiscal year 1969-70 to 1972-73 incl.

OPPORTUNITIES FOR YOUTH PROGRAM—INFORMATION TO ISOLATED AREAS

Question No. 733—**Mr. Marshall:**

Is it the intention of the Secretary of State to ensure that every effort will be extended to providing all information to students who live in remote and isolated areas, and do not have access to reasonable TV, radio and telephone communications, of the Opportunities for Youth Programme and, if so, will the Minister look into the reasons for the delays by CBC to provide normal TV service to Northern Newfoundland?

Hon. J. H. Faulkner (Secretary of State): The Secretary of State has taken steps to ensure that information on Opportunities for Youth programs is provided students living in remote and isolated areas and not having access to TV, radio and telephone communications through project officers who personally solicited applications from such areas, and through contacts with local school officials, community leaders, etc. In addition, Opportunities for Youth program operations were decentralized this year in an effort to afford a more effective response to the diversified character of regional and subregional needs. All staff have been recruited from the region in which they will serve and operations are being directed on a regional basis. In so far as the second part of the question is concerned, the Canadian Broadcasting Corporation has greatly improved its television coverage to the Great Northern Peninsula of Newfoundland by establishing a rebroadcasting station at Bonne Bay in 1971 by increasing the power of its existing station at St. Anthony's and by applying for yet another rebroadcasting station at Mount St. Margaret's which is expected to go on air in the fall of 1973.

[Mr. Marchand (Langelier).]

OFY—NORTHERN NEWFOUNDLAND

Question No. 736—**Mr. Marshall:**

1. Is it the intention of the Secretary of State to seek the co-operation of Information Canada to ensure that all Canadians who live in remote and isolated areas and do not have access to reasonable TV and radio communication and are out of reach of Manpower Centres will receive all pertinent material and assistance, so that they will have equal opportunity to submit applications for employment and, if so, how will this be implemented into communities in Northern Newfoundland in the constituency of Humber-St. George's-St. Barbe which takes in the Great Northern Peninsula?

Hon. Allan J. MacEachen (President of the Privy Council): I am informed by the Department of the Secretary of State and Information Canada as follows: 1. Information brochures on "Summer 73", OFY applications and accompanying brochures on how to apply for a grant in the Opportunities for Youth program were distributed to all Information Canada Centres. In addition, Opportunities for Youth made pertinent program material and assistance available through project officers who personally solicited applications from such areas (including communities in Northern Newfoundland in the constituency of Humber-St. George's-St. Barbe which takes in the Great Northern Peninsula) and through contacts with local school officials, community leaders, etc.

2. No. Information Canada was dissatisfied with the reports because they were not representative of the country. It is expected the reports will recommence when Enquiry Systems are established in all Regions.

POLAR ICEBREAKER

Question No. 742—**Mr. Forrestall:**

1. Will a polar icebreaker be constructed in Canada and, if so, are there shipyards in Canada large enough to build a vessel of 100,000 horsepower or more and from which competitive bids could be obtained?

2. What mandatory minimum percentage of special equipment required in such vessels will be of Canadian content?

Hon. Jean Marchand (Minister of Transport): 1. Studies are presently being carried out on questions related to the design of a polar icebreaker. A team is being assembled to gather all the pertinent data to bring about a polar icebreaker design, cost estimate, and anticipated Arctic traffic that it may be required to support. Following this, a recommendation will be made that construction be proceeded with immediately or set aside until a more appropriate time. Yes, there are Canadian shipyards capable of building such a ship and providing competitive bids.

2. It is the Ministry of Transport's policy to ensure that Canadian equipment, where available and competitive, must be used in ships being built for the Coast Guard fleet.

COMMERCIAL MARINE TRANSPORTATION IN ARCTIC

Question No. 752—**Mr. Forrestall:**

1. What steps does the government intend to take in order to make commercial marine transportation in the Arctic safe and acceptable?

2. Does the government have any programme in operation that would produce the necessary ongoing oceanographic services in order to produce reliable navigational charts of the region and (a) if so, at what stage are these programmes in terms of eventual completion date (b) if not, is it the intention of the government to commence such studies, and, if so (i) on what date (ii) with what projected completion dates?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Environment is concerned: 1 and 2. Nautical Charts based largely on reconnaissance surveys presently exist for the major Arctic Waterways. Detailed charting activities of existing and potential ports and routes are being accelerated to meet demands. Intensive survey work has been carried out over the past twenty years but, because of the requirement for continued updating of Nautical Charts, a final completion date cannot be projected. In so far as the Ministry of Transport is concerned: 1. The government presently provides aids to navigation, ice-breaking support and regulations concerning ship construction and manning in the north.

2. These are continuously under review and are being updated to meet the need.

CNR—COMMUTER SERVICE IN MONTREAL

Question No. 775—**Mr. Stackhouse:**

Did CNR incur a deficit from providing commuter service in the Montreal area during (a) 1971 (b) 1972 and, if so, was this deficit paid by (i) moneys from the government and/or the Quebec Government (ii) CNR from its general revenues?

Hon. Jean Marchand (Minister of Transport): The Management of Canadian National Railways advises as follows: (a) Yes. (b) Yes. (i) No. (ii) Yes.

OPPORTUNITY FOR YOUTH GRANTS—DURHAM COUNTY, ONTARIO

Question No. 787—**Mr. Lawrence:**

Who, or what organizations, resident or located in the County of Durham, in the Province of Ontario, received Opportunity for Youth Fund grants or financial assistance, what were their respective addresses, what was the purpose of each such grant, and how much was paid to each, in each of the years 1971 and 1972?

Hon. James Hugh Faulkner (Secretary of State): A list of all projects funded under the Opportunities for Youth program in 1971 has been completed. Projects are classified by Province and then by type of project, not by constituency. A list of all projects funded under the 1972 Opportunities for Youth program has been completed. Projects are classified by Province and in alphabetical order of the towns and cities in which the projects were carried out, not by constituency. Information includes the project title and number, a short description of the project's activities, amount of the grant, number of participants and the name and address of the project representative. This 421 page listing can be obtained from the Secretary of State Department.

COUNTY OF NORTHUMBERLAND—OYF GRANTS

Question No. 788—**Mr. Lawrence:**

Who, or what organizations, resident or located in the County of Northumberland, in the Province of Ontario, received Opportunity for Youth Fund grants or financial assistance, what were their respective addresses, what was the purpose of each such grant, and how much was paid to each, in each of the years 1971 and 1972?

Hon. James Hugh Faulkner (Secretary of State): A list of all projects funded under the Opportunities for Youth program in 1971 has been completed. Projects are classified by Province and then by type of project, not by constituency. A list of all projects funded under the 1972 Opportunities for Youth program has been completed. Projects are classified by Province and in alphabetical order of the towns and cities in which the projects were carried out, not by constituency. Information includes the project title and number, a short description of the project's activities, amount of the grant, number of participants and the name and address of the project representative. This 421 page listing can be obtained from the Secretary of State Department.

REPAIRS TO HARRINGTON LAKE RESIDENCE—1961-72

Question No. 804—**Mr. Coates:**

In each year 1961 to 1972 (a) what repairs were effected to the Prime Minister's home at Harrington Lake (b) what new furniture and furnishings were provided to this property (c) were there any other outlays in those years and, if so, what were the specific expenditures for?

Hon. Jean-Eudes Dubé (Minister of Public Works): In so far as the Department of Public Works is concerned. A. 1961-62, Minor repairs and upkeep; 1962-63, Minor repairs and upkeep; 1963-64, Minor repairs and upkeep; 1964-65, Minor repairs and new porch; 1965-66, Minor repairs and new porch; 1966-67, Minor repairs and new porch; 1967-68, Repairs to flooring and install new tiles first floor. Excavation to install new water line from Main House to well. Excavation for frozen water line and change defective foot valve. Minor repairs and maintenance. 1968-69, Minor repairs and upkeep; 1969-70, Exterior painting, new asphalt shingle roof; Minor repairs and upkeep; 1970-71, Minor repairs and upkeep; 1971-72, Interior painting, repairs to pipes and water pump, repair frozen water line, oil leak. Clean basement floor and equipment caused by oil leak. Minor repairs and upkeep.

B. 1965-66, Replaced old furnishings (no details available, as all bills are only kept 5 years.); 1966-67, Replaced old furnishings (no details available-see above); 1968-69, Mattress, box spring, bedspread, etc. Extermalite No. 455, installation of rugs, 1st floor installation of carpets, 2nd floor—bedrooms and hall; 1971-72, Roller blinds and venetian blinds.

C. 1964-65, Installation fire alarm; 1966-67, Installation Aerators—Edwards Lake; 1967-68, Installation of Water Softener; Construction of Dam—Edwards Lake; New aluminum flag pole; Metal storm windows; 1968-69, Alterations to Boat House. Underground water and electrical services. Chlorination (Guest House).

Order Paper Questions

CNR—REEFER CARS, FREIGHT

Question No. 891—**Mr. MacLean:**

1. What action is the Department of Transport and/or the Canadian National Railways taking to assure a sufficient supply of modern, temperature-controlled freight cars for the movement to market of potatoes and other perishable goods in the Atlantic Region of Canada?

2. What research, if any, is being done into the possibility of an improvement over the reefer-type railway cars now in use?

Hon. Jean Marchand (Minister of Transport): The Management of Canadian National Railways advises as follows: 1. Canadian National continues to see to it that an adequate supply of temperature-controlled freight cars for the movement of potatoes to market is maintained in the Atlantic Region.

2. Research is being carried out, on a feasibility basis, of the use of other cars and modal types of equipment for transportation to markets in Central Canada.

DEPARTMENT OF TRANSPORT—PERSONNEL

Question No. 932—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of Transport?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of Transport?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. Jean Marchand (Minister of Transport): 1. 16,534

2. Information not available.

3. 14,834.

4. $18,000/18,999, 99; 19,000/19,999, 104; 20,000/20,999, 51; 21,000/21,999, 41; 22,000/22,999, 38; 23,000/23,999, 30; 24,000/24,999, 30; 25,000/25,999, 42; 26,000/26,999, 14; 27,000/27.999, 9; 28,000/35,000, 9; 34,000/40,000, 5; 40,000/45,000, 2.

CANADA MANPOWER CENTRE, PRINCE GEORGE, B.C.

Question No. 982—**Mr. Oberle:**

1. How many job enquiries were made during the past year at the Canada Manpower Centre in the City of Prince George, B.C.?

2. How many jobs were (a) listed (b) found for people for the same period?

3. How many offices does the Department of Manpower and Immigration have throughout the City?

4. How many employees are there and what are their salaries?

5. What are the complete operational expenses, including telephone, electricity, rent, etc.?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. In 1972, there were 20,054 client registrations (job enquiries) received.

2. (a) 8,884 vacancies were notified. (b) 6,523 placements were effected.

3. Four (4).

4. 35 employees—

17	at	$10,597-$12,046
4	at	5,486- 6,028
3	at	4,207- 6,292
2	at	7,496- 8,238
2	at	6,233- 6,849
2	at	11,586- 13,165
1	at	15,737- 17,883
1	at	13,070- 14,852
1	at	9,305- 10,225
1	at	6,707- 7,372
1	at	8,569- 9,415

5. $334,674 (April 1, 1972 to January 31, 1973)

VANCOUVER—UNEMPLOYMENT INSURANCE COMMISSION JOB PLACEMENT ASSISTANCE

Question No. 987—**Mr. Reynolds:**

1. On February 1, 1973, did Hospitality Personnel Service of 1015 Burrard Street, Vancouver, B.C. request UIC assistance in the placement of 80 people and, if so, what was the reply?

2. Did Mr. G. E. Hubley, Director of Manpower Operations for the Pacific Region write Hospitality Services on February 2, 1973 to indicate that Manpower Offices do not refer workers to employment agencies and, if so, for what reason?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Unemployment Insurance Commission and the Department of Manpower and Immigration as follows: 1. Yes. Unemployment Insurance Commission representatives met with Hospitality Services on February 5, 1973, to discuss employment opportunities available through this company. The company was advised that the Unemployment Insurance Commission was prepared to make unemployed, experienced hotel and restaurant employees aware of job vacancies as registered with Hospitality Services.

2. Yes. Mr. G. E. Hubley's letter to Hospitality Services explained the Department's policy as it relates to private fee-charging employment agencies only. The policy is as follows: Canada Manpower Centres may refer clients to private fee-charging employment agencies provided that those clients referred are to fill bona fide vacancies on the agencies' staff. But Canada Manpower Centres will not refer clients to such agencies for re-referral to employer clients of these agencies. Notwithstanding this policy, pilot projects involving the reciprocal referring of vacancies have been established between the Department and some private fee-charging employment agencies, in Toronto and Montreal, as a first step in the process of reviewing this policy. Work is also underway towards the establishment of similar pilot projects in Vancouver, B.C. and Halifax, N.S.

MUNICIPAL AIRPORT, BERGERONNE

Question No. 1,002—**Mr. Caouette (Charlevoix):**

1. Has the government made funds available for (a) installation (b) maintenance (c) improvement of the municipal airport of Bergeronne (a private airport used by Anglo-Pulp and Hydro-Quebec) and, if not, is the government considering investing funds in this airport?

2. Has the government reached or is it considering negotiating an agreement with respect to this airport and, if so, on what date will it take effect and for what period of time?

Hon. Jean Marchand (Minister of Transport): 1. The government has not made funds available for (a) the installation or (b) the maintenance of the municipal airport of Bergeronne. The Ministry of Transport provided $12,000 for improvements to the runway and this is expected to be paid in the near future.

2. The municipality of Grande Bergeronne has not approached the Ministry of Transport for a further agreement with respect to this airport.

LIP GRANT FOR INNOVATION QUEBEC PROJECT

Question No. 1,003—**Mr. Lambert (Bellechasse):**

Has the Department of Manpower and Immigration made a LIP grant for a project under the name of *Innovation Québec* whose address was 4101 Jarry East, Montreal and, if so (a) what were the names and addresses of the promoters of the project (b) what was the amount of the grant (c) to whom were the cheques issued (d) on what date and in what amounts?

[*Translation*]

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): (a) The sponsors of the project were Mr. Marcel Ducharme, President, of 8400 23rd Avenue, St. Michel 456, and Mr. Fernand Laliberté, Secretary, of 7490 22nd Avenue, Montreal 453. (b) The Department made a grant to a project entitled Innovation Quebec under the 1971-72 Local Initiatives Program. The grant was initially for $112,320 for the period February 14, 1972, to May 31, 1972, which was subsequently increased on April 21, 1972, to $131,976. On May 30, 1972, the project was extended to September 30, 1972, the contract value being increased from $131,976 to $317,304, and on September 21, 1972, a further extension to November 30, 1972, was granted, the contract value being increased to $408,968. Cheques have been issued as follows:

(c) Payee	(d) Date	(d) Amount
Innivation Quebec	March 7, 1972	$ 44,199.00
Mr. Ducharme	April 17, 1972	56,889.00
Mr. Ducharme	May 19, 1972	17,690.40
Mr. Ducharme	June 5, 1972	54,381.60
Mr. Ducharme	July 11, 1972	102,553.88
Mr. Ducharme	September 4, 1972	40,590.12
Mr. Ducharme	September 22, 1972	92,664.00
		$408,968.00

CAMPUS CRIME

Question No. 1,014—**Mr. Mather:**

What was the rate of "campus crime", i.e. theft, violence, rape in each year 1962 to 1972?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Crime figures are not broken down by locality where the offence is committed. Any offence committed on a university campus would be reported to us by the Police Department policing the municipality where the campus is located as part of their total statistics.

UNEMPLOYMENT INSURANCE—BENEFIT DISQUALIFICATIONS

Question No. 1,020—**Mr. Hueglin:**

1. What is the estimated amount of money saved by UIC benefit disqualifications in (a) 1972; (b) 1971?

2. Of all claims disqualified in (a) 1971 (b) 1972 how many resulted in application of penalties?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. It is not possible to determine the unpaid benefits resulting from disentitlements. There is no way of knowing how long the disentitlement actually lasts. Claimants may stop reporting to the Commission when they find they are ineligible for benefits or perhaps they have found work. Therefore benefits not paid because of a disentitlement cannot be measured.

	1971	1972
2. Failure on the part of the Claimant to apply for or accept employment	3,286	6,433
Discharged for misconduct	18,638	28,291
Voluntary Separation	133,716	255,168

NOTE: Disentitlements of the nature described above create a potential reduction of three weeks benefit per claimant.

Disentitled for misrepresentation, and a monetary penalty imposed	13,195	9,689

TRAINING ON THE JOB GRANTS TO FISH PACKING PLANTS IN NOVA SCOTIA

Question No. 1,052—**Mr. Nowlan:**

What on-the-job training grants were made to fish packing plants in Nova Scotia for the period ending January 31, 1973 and what was (a) the name of the recipient companies (b) the amount of each grant involved (c) the number of people being trained (d) the period of training involved?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration):

(a)	(b)*	(c)	(d)**
I.M.O. Foods Ltd.	$114,372	140	517
D. Goldman Sons Ltd.	644	1	3
C. W. McLeod Fisheries	2,846	4	12
National Sea Products	3,900	2	12
Canso Seafoods Ltd.	139,951	185	555
Nickerson Bros. Ltd.	7,142	8	30
Pierce Fisheries Ltd.	405	1	3

Order Paper Questions

(a)	(b)*	(c)	(d)**
LeBlanc Fisheries Ltd.	45,396	78	234
Cheticamp Fishermen	29,055	24	110
Mersey Seafoods Ltd.	2,025	1	6
Comeaus Sea Foods Ltd.	1,500	1	5
National Sea Products	4,241	1	10
H.F. Russell Sea Food	4,991	6	15
Riverport Seafoods Ltd.	720	1	4

*Canada Cost of Agreement
**Total Man/Months of Training

JAMES BAY ENVIRONMENTAL STUDIES

Question No. 1,070—**Mr. Harding:**

1. How many environmental studies which relate to the James Bay Project and in which the government has participated, have been completed or are currently in progress?

2. (a) What is the objective of each project (b) on what date did each commence (c) on what date was the study completed or expected to be completed?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. Environmental studies relating to the James Bay Project are currently in progress in the fields of climate, oceanography, wildlife, fish, vegetation, water quality, archeology, geomorphology and biophysical mapping. One has been completed.

2. (a) The objectives of each project are: 1. To establish baseline data with which to assess the impact of development in the James Bay area of Quebec on the environment. 2. To enable recommendations to alter the design, construction or operation of the development, as required, to protect the environment. (b) All studies began in the late summer and fall of 1971. (c) One project on Ice Accretion on Structures was completed in December, 1972. All other studies except those of a monitoring nature are scheduled for completion by March 31, 1976. It is expected that interim results for specific areas will be available earlier and certain migratory bird studies will be completed in 1974.

DEPARTMENT OF NATIONAL DEFENCE—FULL-TIME EMPLOYEES

Question No. 1,090—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of National Defence on (a) January 1, 1963 (b) January 1, 1973?

2. How many people of each of these years were receiving salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) over $20,000?

Hon. James Richardson (Minister of National Defence): 1. (a) Jan. 1/63; DND. 40,457; DRB. 2,380; (b) Jan. 1/73; DND. 30,559; DRB. 1,636.

2. Prior to June 30, 1970, records were not maintained in a manner which would permit numbers in each salary category on Jan. 1, 1963 to be readily identified, nor does the Department have the resources that would be required to employ the additional staff that would be required to research this information. As of January 1, 1973: (a) DND. 26,167; DRB. 787; (b) DND. 4,182; DRB. 612; (c) DND. 210; DRB. 237.

DEPARTMENT OF SOLICITOR GENERAL PERSONNEL

Question No. 1,093—**Mr. Paproski:**

1. How many full-time employees were under salary in the Solicitor General's Department on (a) January 1, 1963 (b) January 1, 1973?

2. How many people in each of these years were receiving salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) over $20,000?

Hon. Warren Allmand (Solicitor General):

		(a) as of 1 Jan. 1963	(b) as of 1 Jan. 1973
1.	Ministry Secretariat	non existent	10
	Royal Canadian Mounted Police*	8,598	14,280
	Canadian Penitentiary Service*	3,042	5,150
	National Parole Board*	123	486
2. (a)	Ministry Secretariat	not applicable	64
	Royal Canadian Mounted Police	8,531	5,927
	Canadian Penitentiary Service	3,018	3,513
	National Parole Board*	105	270
(b)	Ministry Secretariat	not applicable	31
	Royal Canadian Mounted Police	67	8,246
	Canadian Penitentiary Service	24	1,587
	National Parole Board	8	203
(c)	Ministry Secretariat	not applicable	12
	Royal Canadian Mounted Police	nil	107
	Canadian Penitentiary Service	nil	50
	National Parole Board	nil	13

* In 1963, these three agencies were part of the Department of Justice.

CONSTRUCTION OF NATURAL GAS PIPELINE FROM WEST INTO ONTARIO

Question No. 1,166—**Mr. Darling:**

1. Has the Department of Energy, Mines and Resources any knowledge of plans to construct another natural gas pipeline from the West into Ontario?

2. Has the Department received any applications from firms or individuals interested in constructing such a pipeline?

3. If such applications are filed, has the Department considered requiring that any new pipeline be constructed along Highway 69 when it passes through the Parry Sound-Muskoka area, in order that an entire new region would have access to natural gas?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): In so far as the Department of Energy, Mines and Resources is concerned: 1. No, other than the eastward extension of the proposed Mackenzie Valley gas pipeline and the looping of the existing system of Trans-Canada PipeLines Limited.

2. No.

3. This requirement is not within the Department's authority.

TRANSPORT—BLUEPRINTS OF HALIFAX, QUEBEC CITY AND TORONTO AIRPORTS

Question No. 1,167—**Mr. Reynolds:**

1. Does the Department of Transport have blueprints of the Halifax, Quebec City and Toronto Airports and, if so, do they show five car rental firms in each airport?

Hon. Jean Marchand (Minister of Transport): 1. Yes, the Department of Transport does have blueprints of the Halifax, Quebec City and Toronto Airports and, no, they do not show five car rental firms in each airport.

TRANSPORT—STUDY OF FUTURE FERRY SERVICE BETWEEN NEW ENGLAND AND NOVA SCOTIA

Question No. 1,179—**Mr. Haliburton:**

1. Has the government initiated any study by the Department of Transport or by consultants regarding future requirements of ferry services between New England and Nova Scotia during the period 1967 to date?

2. Has the government initiated any study into the nature and extent of demand for ferry services between Bar Harbor, Maine and Yarmouth, Nova Scotia as presently served by M.V. Bluenose with a view to determining (a) whether there is traffic which might be handled by a vessel using end-loading techniques (b) whether there is sufficient traffic to justify a second ferry on that run at any season of the year?

3. Has the Department initiated any investigation of the M.V. Bluenose to determine the life expectancy of that vessel and to estimate how long it might effectively serve on its present run?

Hon. Jean Marchand (Minister of Transport): 1. Yes.

2. (a) Yes, (b) Yes.

3. Yes.

IMPORTS AND EXPORTS OF TRACTORS AND AUTOMOBILES

Question No. 1,200—**Mr. Towers:**

1. During 1972, how many tractors manufactured (a) in Canada were sold in the United States (b) in the United States were sold in Canada?

2. During 1972, how many automobiles were manufactured (a) in the United States and sold in Canada (b) in other countries and sold in Canada?

3. What countries and how many automobiles in each were manufactured and sold in Canada?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that:

(a) Tractors manufactured in Canada and sold in the United States during 1972 (exports) were as follows:

Description	Units Number of	Value $000
Wheel tractors, new and used	1,618	9,689
Parts of wheel tractors		9,321
Tractors & tractor parts (not elsewhere specified)		9,976

(b) Tractors manufactured in the U.S. and sold in Canada (imports) were:

Lawn & garden tractors	17,276	9,693
Wheel tractors new (not specified elsewhere)	14,278	89,319
Track-laying tractors. carb. (nes.)	6	14
Track-laying tractors, diesel new	2,370	63,550
Used tractors	1,225	7,404
Tractors not elsewhere specified		85,927

2. Statistics Canada does not collect data on the number of automobiles manufactured in other countries, however the data provided below show the number of automobiles exported from the various countries. These figures include cars exported from a country other than where they were manufactured and also used cars exported from the country by an individual for his own use—i.e., not to be sold in Canada. (a) During 1972 there were 395,319 automobiles imported into Canada from the United States. (b) The following table provides data on the number of automobiles imported into Canada from other countries during 1972.

Imports of Automobiles into Canada, 1972

Country	No. of Automobiles
United Kingdom	26,837
West Germany	34,710
Italy	6,595
Japan	149,613
France	8,259
Sweden	6,789
Belgium-Luxembourg	18
Denmark	5
Netherlands	25
Portugal	1
Spain	2
Switzerland	2
East Germany	2
Roumania	6

Order Paper Questions

Country	No. of Automobiles
Yugoslavia	3
Lebanon	1
United Arab Republic	1
Nigeria	1
South Africa	1
Morocco	1
South Korea	2
Bahamas	1
Bermuda	1
Barbados	1
Honduras	1
Mexico	1

3. Not available for reasons cited in 2 above.

IMPORTS OF COFFINS

Question No. 1,202—**Mr. Towers:**

What was the dollar value of coffins imported from the U.S. or any other country during 1972?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: The dollar value of coffins imported from the United States during 1972 was $388,000. Coffins were not imported from other countries during 1972.

OFFENCES COMMITTED BY PERSONS FREE ON BAIL

Question No. 1,204—**Mr. Stackhouse:**

1. How many offenders were released on bail in 1972?

2. How many were subsequently charged with offences allegedly committed while they were on bail?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Statistics Canada did not collect the information requested in this question for 1972.

SALARIES OF STATISTICS CANADA OFFICIALS

Question No. 1,205—**Mr. Knight:**

What are the salaries for the following Statistics Canada staff for the year 1973 (a) Assistant Chief Statistician responsible for business statistics (b) Assistant Chief Statistician responsible for household and institutional statistics (c) Assistant Chief Statistician responsible for economic accounts (d) Assistant Chief Statistician responsible for statistical services (e) Assistant Chief Statistician responsible for marketing services (f) Director-General for administration (g) Director-General for policy, planning and evaluation?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Salary ranges for the following Statistics Canada staff for the year 1973 are: (a) Assistant Chief Statistician responsible for business statistics, $28,000 to $35,000; (b) Assistant Chief Statistician responsible for household and institutional statistics, $28,000 to $35,000; (c) Assistant Chief Statistician responsible for economic accounts, $28,000 to $35,000; (d) Assistant Chief Statistician responsible for statistical services, $28,000 to $35,000; (e) Assistant Chief Statistician responsible for marketing services, $25,000 to $31,000; (f) Director-General for Administration, $25,000 to $31,000; (g) Director-General for policy, planning and evaluation, $25,000 to $31,000.

SEA ISLAND—VANCOUVER INTERNATIONAL AIRPORT—RECOMMENDATIONS OF HEARING OFFICER

Question No. 1,212—**Mr. Reynolds:**

Were any of the recommendations of the hearing officer (Fisher) on the Lancaster area hearings (Sea Island-Vancouver International Airport) accepted and, if so, what were they?

Hon. Jean-Eudes Dubé (Minister of Public Works): No recommendations were made by the Hearing Officer. The Expropriation Act recites the Duties of the Hearing Officer in Section 8 (4) and requires that he "submit to the Minister a report in writing on the nature and grounds of the objections made."

VICTORIA INNER HARBOUR—WINTER WHARFAGE

Question No. 1,214—**Mr. McKinnon:**

Has it been decided that the winter wharfage for the fishing fleet in Victoria Inner Harbour is to be phased out and the operation moved to Sooke Harbour and, if so, is it the intention of the Minister of the Environment to review the matter, giving cognizance to the views of the Mayor and Council of Victoria and the Pacific Trollermen who want the wharfage increased in Victoria Inner Harbour?

Mr. William Rompkey (Parliamentary Secretary to Minister of Fisheries): It has not been decided nor are there any plans that the winter wharfage for the fishing fleet in Victoria Inner Harbour be phased out and the operation moved to Sooke Harbour.

ESTABLISHMENT OF POSTAL DELIVERY SERVICE IN WINDSOR MUNICIPALITY

Question No. 1,216—**Mr. Beaudoin:**

1. Is the Post Office Department considering the possibility of establishing a postal delivery service in the Municipality of Windsor and, if so (a) what criteria are required by the Department for the establishment of such service (b) what steps are to be taken by the Department until this service is actually in operation?

2. According to the Department, if the Municipality of Windsor meets the required standards, what is the approximate date on which this postal delivery service will be instituted?

3. Does the Post Office Department consider the present Windsor Post Office adequate to meet the new role it will be given if the Municipality's request is accepted?

4. Is the Post Office Department considering the possibility of recommending the enlargement of the Windsor Post Office if the Municipality's request for postal delivery service is accepted and, if so, what will be the nature of this construction or alteration of the present Post Office?

Hon. André Ouellet (Postmaster General): 1. Yes. A preliminary survey is to be conducted later this month to determine whether the area qualifies for this service. 1. (a) The principal requirement is the availability of at least 2,000 points of call in a compact, well built-up area. Subsidiary conditions are: 1. Walking conditions within the area must be satisfactory on a year round basis. 2. There must be access to the homes by means of pathways or driveways, where conditions under foot are deemed to be

satisfactory. 3. The premises must be numbered in accordance with a municipal numbering plan and numbers must be placed so that they are clearly visible from the street. 4. Street names and signs must be erected at intersections. 5. It must be possible to make transportation arrangements for the letter carriers, when necessary, due to the serving of areas well removed from the Post Office. 6. Suitable letter slots or boxes must be installed. 1. (b) Information concerning procedures to be followed prior to the establishment of this service covers some 17 pages in a manual and is considered too lengthy to be repeated here.

2. This is contingent on the results of the preliminary survey mentioned in Part 1.

3. See part 2.

4. See part 2.

DEPARTMENT OF LABOUR—PERSONNEL

Question No. 1,271—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of Labour?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of Labour?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. John C. Munro (Minister of Labour): 1. Seven hundred and sixty-nine.

2. Information not available.

3. Seven hundred and sixteen.

4. $18,000-$19,000—5; $19,000-$20,000—6; $20,000-$21,000—11; $21,000-$22,000—7; $22,000-$23,000—2; $23,000-$24,000—9; $24,000-$25,000—9; $25,000-$26,000—3; $26,000-$27,000—2; $27,000-$28,000—2; $28,000-$35,000—4; $34,000-$40,000—1.

CONSTRUCTION OF NORTHERN GAS PIPELINE

Question No. 1,274—**Mr. Rowland:**

1. Has the government received representations from Mr. Charles P. Bennett and M. Dimentberg of Winnipeg, Manitoba, to the effect that the costs of construction of a Northern gas pipeline could be reduced by a factor of 50% if the system was designed to transport natural gas in a liquid rather than vapour state?

2. Has the government investigated the accuracy of the submission and, if so, by whom was the investigation carried out and what were the findings?

3. Has the government investigated the proposal for a liquid natural gas pipeline from the point of view of its potential for reducing damages which might result from a break and, if so, by whom and with what results?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): 1. Yes.

2. The federal government has been making such an appraisal on an interdepartmental basis.

3. Yes, as part of 2.

FEDERAL ASSISTANCE FOR CONSTRUCTION OF TEST LOOP FOR NORTHERN PIPELINE

Question No 1,275—**Mr. Rowland:**

Is the government giving consideration to providing funds for the construction of a test loop for the purpose of evaluating the efficacy of a liquid natural gas pipeline in transporting natural gas from the North of Canada to the South and, if not, for what reason?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The federal government is not giving consideration to providing funds for this purpose because test loop feasibility work for pipelines is a responsibility of industry.

OFFICE OF SOLICITOR GENERAL PERSONNEL

Question No. 1,286—**Mr. Cossitt:**

What are the names of all persons employed by, on loan to or attached to, the Office of the Solicitor General and in each case *a)* what are the duties performed by such individuals *b)* what are their salaries for the current fiscal year, in dollars?

Hon. Warren Allmand (Solicitor General): For the Ministry of the Solicitor General:

A) In exempt positions, appointed under Section 37 of the Public Service Employment Act:

NAME	FUNCTION	SALARY RANGE LEVEL	SALARY RANGE RANGE
Mr. Zavie Levine	Executive Asst.	7	$17,500—$20,000
Dr. Terry McGrath	Special Asst.	6	$15,000—$17,500
Mr. Jim McDonald	Special Asst.	5	$12,500—$15,000
Mrs. S. Smith	Private Secretary	4	$10,000—$12,500
Miss J. Morin	Secretary	3	$ 7,500—$10,000
Mr. Guy Deslauriers	Registry Supervisor	3	$ 7,500—$10,000
Mr. Carl Charette	Confidential Messenger and Driver	2	$ 5,000—$ 7,500

B) In classified positions, according to the Public Service classification:

NAME	FUNCTION	SALARY RANGE LEVEL	SALARY RANGE RANGE
Mr. J. Cameron	Departmental Asst.	AS 4	$12,329—$14,010
Miss C. Cook	Secretary	ST 5	$ 6,676—$ 7,338
Mrs. J. Heathcote	Secretary	ST 4	$ 6,233—$ 6,849
Miss L. Beland	Typist	ST 2	$ 5,102—$ 5,607

Order Paper Questions

NAME	FUNCTION	SALARY RANGE LEVEL	RANGE
Mrs. L. Powers	Secretary	CR 3	$ 6,707—$ 7,372
Mrs. H. Stafford	Secretary	CR 3	$ 6,707—$ 7,372
Mr. J. Cloutier	Registry Clerk	CR 2	$ 5,486—$ 6,028

NATIONAL DEFENCE—SEARCH AND RESCUE, TRENTON, ONTARIO

Question No. 1,291—**Mr. Lawrence:**

1. What use was being made of the two Search and Rescue Otter aircraft based at Trenton, "along with the wide variety of military aircraft such as the Hercules, the Voyageur helicopter and other craft", which form the normal supplement and complement of the Search and Rescue force based at Trenton, Ontario, as listed in the answer to Question No. 719, from 0900 hours through to 1500 hours on September 14, 1972?

2. If any of the aircraft were on any sort of mission, what was the purpose of each of the missions, authority for the missions, the names, serial numbers and rank of the crew, the names and travel authority of each of the passengers, military or civil, the duration of each of the missions and the destinations of each of the missions?

3. If any of the said aircraft were non-operational due to repairs or maintenance taking place, what was the nature of the repairs or maintenance and the duration the aircraft was non-operational for these purposes?

4. Were any aircraft called upon during the indicated time for a search and rescue missions and, if so, what was the nature of the request and what was the result of the request?

Hon. James Richardson (Minister of National Defence): 1 and 2. One of the two Twin Otter aircraft based at CFB Trenton was used to carry out a para rescue training exercise in the Trenton area from 0905 to 1035 on September 14, 1972, under the authority of the Commander, Air Transport Command. The crew list was as follows: Aircraft Commander, 612 008 417, Maj. Merklinger BA; First Officer, 431 077 031, Capt. Carscadden ER; Crewman, 106 364 151, Sgt. Lafosse W.; Para Rescue, 612 067 629, Cpl. Radcliffe J.; Para Rescue, 608 939 674, Cpl. Davis W.; Para Rescue, 611 496 ,696, MCpl. Jarbeau GF.; Para Rescue, 107 600 322, Cpl. Bollong DG.; Para Rescue, 435 774 864, Cpl. Campbell AK. Captain E.R. Caird, 223 001 306, Officer in charge of the Trenton Rescue Co-ordination Centre was embarked to observe the training mission. During the remainder of the time period the crew and aircraft were on standby duty at CFB Trenton. The other Twin Otter aircraft was not flown that day. The fleet of Hercules aircraft based at CFB Trenton during that same time period were tasked for a NATO exercise "Strong Express" under the authority of the Chief of Defence Staff—destination Norway, and were not involved in any search and rescue mission. The Voyageur helicopter used to support the search and rescue role in the Trenton Search and Rescue region is held on secondary search and rescue standby at CFB Ottawa.

3. Two of the Hercules aircraft were non-operational undergoing inspection and wing modification at Northwest Industries Ltd., Edmonton, Alberta, during the period referred to in part one above.

4. No aircraft were called upon during that period to perform a search and rescue mission.

[Mr. Allmand.]

PUBLIC SERVICE ALLIANCE CONTRACT WITH TREASURY BOARD ON BEHALF OF EMPLOYEES OF NATIONAL DEFENCE

Question No. 1,374—**Mr. Godin:**

Has the Public Service Alliance of Canada recently signed a contract with the Treasury Board on behalf of employees of the Department of National Defence at CFB Valcartier who perform miscellaneous services (cleaning, help, etc.) and, if so (a) what is the nature of the contract (b) what are the working conditions of this group (c) does the Department plan to increase their wages and, if so, on what date will they receive it?

[*Translation*]

Hon. James Richardson (Minister of National Defence): Not yet. (a) The Treasury Board and the Public Service Alliance of Canada have been negotiating a new collective agreement to cover the General Services Occupational Group since September 6, 1972; (b) This Occupational Group includes personnel such as kitchen help, storemen and cleaners; (c) As negotiations are still in progress at this time, it is impossible to predict the changes, if any, which will be negotiated with respect to wages or terms and conditions of employment, or when these changes will become effective.

[*English*]

*ELECTION PROMISE OF 80-ACRE WATERFRONT PARK TO CITY OF TORONTO

Question No. 1,380—**Mr. Diefenbaker:**

What action has been taken by the Prime Minister and the government to carry out the promise made during the election that the City of Toronto would be given an 80 acre waterfront park paid for by the government?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, because of the length of the answer to starred question 1,380, could it be tabled as a return with the others?

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Return tabled.

TARIFF ITEM 68200-1

Question No. 1,381—**Mr. Reynolds:**

In light of the increase of foreign competition in the cordage industry on the West Coast, is the Minister of Finance considering amending tariff item 68200-1 to afford restrictive duty on this particular product, i.e. braided leadcore leadline?

Hon. John N. Turner (Minister of Finance): It has been the policy of successive Canadian Governments to allow duty-free entry of equipment for the use of the commercial fisheries in Canada. No change in this policy is contemplated at the present time.

ABOLITION AND REFORM OF SENATE

Question No. 1,391—**Mr. Cossitt:**

1. Is the government giving consideration to proposing abolition of the Senate?

2. Is the government giving consideration to reform of the Senate with a view to permitting it to perform more useful functions in the governmental process?

Right Hon. P. E. Trudeau (Prime Minister): 1. No.

2. The government presented to the Constitutional Conference in 1969 propositions with respect to the Senate in a working paper entitled "The Constitution and the People of Canada" and these propositions were subsequently discussed with the provincial governments. No further discussions are planned at present.

"HMCS RESTIGOUCHE" REFIT

Question No. 1,395—**Mr. Rowland:**

1. What was the cost of repairs to damages incurred by *HMCS Restigouche* during refit?

2. For what period of time was *HMCS Restigouche* out of service due to the damages referred to in Part 1?

3. Is there evidence that any of the damage was the result of deliberate action?

4. Is legal action against the shipyard comtemplated?

5. (a) Is *HMCS Restigouche* being transferred from the East Coast flotilla to the West Coast flotilla (b) was *HMCS Restigouche* slated for such a transfer prior to her refit or has the decision been made subsequent to the inquiries?

6. Is court martial action against naval engineering staff being contemplated?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Defence and Supply and Services as follows: 1. It is estimated that when repairs are completed towards the end of April, labour costs plus replacement components will be in the neighbourhood of $750,000.

2. Approximately seven months.

3. No.

4. In all contract cases when the department feels that the full terms of the contract have not been met, it is the practice to have legal officers of the Department of Justice to study the circumstances. This is being done with regard to *HMCS Restigouche.*

5. (a) and (b) Yes; the decision was made before discovery of corrosion damage and subsequent repair.

6. No.

SHORTAGE OF MARINE ENGINEERS IN SEA ELEMENT ON WEST COAST

Question No. 1,448—**Mr. McKinnon:**

1. What steps is the government taking to alleviate the serious shortage of marine engineers in the sea element on the West Coast?

Hon. Jean Marchand (Minister of Transport): 1. The Ministry of Transport maintains a close liaison with the West Coast marine engineering schools under the control of the Province of British Columbia, in order to co-operate in the establishment and availability of suitable courses for marine engineers requiring basic and advanced training.

INDIAN STUDENTS ATTENDING UNIVERSITY IN 1971-72

Question No. 1,464—**Mr. Orlikow:**

1. Of Indian students attending university in 1971-72, how many of those who began the first year completed the full course in each year?

2. How many Indian students attending university in 1971-72 withdrew before the end of the academic year?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. 282

2. 105

NATIONAL DEFENCE—MANPOWER STRENGTH IN ATLANTIC PROVINCES

Question No. 1,473—**Mr. McGrath:**

1. What is the total strength of Canadian Forces personnel stationed in each of the four Atlantic Provinces—Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick?

2. What defence establishments are located in these Provinces?

3. What is the total strength of Canadian Forces for each of the other six provinces, the Yukon and the Northwest Territories?

Hon. James Richardson (Minister of National Defence): 1. Newfoundland, 794; Prince Edward Island, 1,069; Nova Scotia, 12,809; New Brunswick, 4,748; total; 19,420.

2. Newfoundland: Canadian Forces Station Gander; Canadian Forces Station Goose Bay; Canadian Forces Station St. John's. Prince Edward Island: Canadian Forces Base Summerside. Nova Scotia: Canadian Forces Base Cornwallis; Canadian Forces Base Greenwood; Canadian Forces Base Halifax; Canadian Forces Base Shearwater; Canadian Forces Station Barrington Canadian Forces Station Mill Cove; Canadian Forces Station Shelburne; Canadian Forces Station Sydney. New Brunswick: Canadian Forces Base Chatham; Canadian Forces Base Gagetown; Canadian Forces Base Moncton.

3. Quebec, 10,691; Ontario, 24,150; Manitoba, 4,172; Saskatchewan, 1,521; Alberta, 8,111 British Columbia, 8,480; Yukon, 4; Northwest Territories, 325.

NATIONAL DEFENCE—CONTRACT FOR OFFICERS MESS AT CFB ESQUIMALT

Question No. 1,477—**Mr. McKinnon:**

1. What firm has been given the architects contract for the Ratings Mess at CFB Esquimalt?

2. Was the contract the subject of tendering procedure?

3. Approximately how much money will be paid to the architect or architects firm securing the contract?

Hon. James Richardson (Minister of National Defence): 1. There is no Ratings Mess being designed for Canadian Forces Base Esquimalt. However a contract has been let for the design of a new Junior Ranks Club at this site and the firm of Wade, Stockdill, Armour and Blewett, Architects and Designers, 914 Gordon Street, Victoria, B.C., has been retained.

2. No, consultant contracts are not normally the subject of a tendering procedure. Design contracts and others of a similar nature are negotiated on a selective basis depending on the experience and capabilities of the consultant with regard to the nature of the work requirement.

3. Approximately $50,000 which includes architects fees, specialist services for cost control, survey, soil investigations and sundry expenses.

MINISTRY OF STATE FOR SCIENCE AND TECHNOLOGY—PERSONNEL

Question No. 1,486—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Ministry of State for Science and Technology?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Ministry of State for Science and Technology?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. Jeanne Sauvé (Minister of State for Science and Technology): 1. N/A Ministry not in existence until August 1971.

2. N/A Ministry not in existence until August 1971.

3. 108.

4. $18-19,000, nil; 19-20,000, 1 person; 20-21,000, 3 persons; 21-22,000, 1 person; 22-23,000, 6 persons; $23-24,000, 4 persons; 24-25,000, 1 person; 25-26,000, 1 person; 26-27,000, 1 person; 27-28,000, 1 person; Over $30,000: Salary range of $25,000,-$31,000, 1 person; Salary range of $28,000,-$35,-000, 2 persons; Salary range of $40,000,-$45,000 1 person; 12 persons.

SHORE EROSION REPORTS, LAKE ONTARIO

Question No. 1,489—**Mr. Kempling:**

1. What are the full titles of studies dealing with the erosion effects of high water in Lake Ontario?

2. (a) How many were completed, commenced or underway during the last year by the Canada Centre for Inland Waters in Burlington, Ontario (b) what was the date they were (i) commenced (ii) completed (c) what were the names of the principal contributors and authors (d) what were the names of those municipal, provincial or foreign governments or companies for whom or in co-operation with whom each study was produced and what was the extent of that co-operation?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. (a) "Geotechnical Aspects of Shoreline Erosion—Western Lake Ontario" (b) "Tropical Storm 'Agnes' Effects on Shore Erosion—Niagara Peninsula" (c) "Shore Erosion—Cause and Cure" (Pamphlet containing material on Ontario services to shore property owners.) (d) "A Preliminary Summary of CCIW Shore Erosion Studies" (e) Continuing study by CCIW using 27 permanent erosion stations to assess annual rate of shoreline changes on Lake Ontario. (f) Continuing updating by CCIW of strip maps showing physical characteristics of Great Lakes shorelines (for use by all federal, provincial and municipal agencies and citizens).

2. (a) No studies were completed, three new studies were commenced, two continuing studies were underway at CCIW Burlington in 1972. (b) i. "Geotechnical Aspects of Shoreline Erosion—Western Lake Ontario". Commenced May 1972, to be completed March 1973. ii. "Tropical Storm "Agnes" Effects on Shore Erosion—Niagara Peninsula". Commenced November 1972, to be completed in 1973. iii. "Shore Erosion—Cause and Cure". Commenced December 1972, published February 1973. iv. "A Preliminary Summary of CCIW Shoreline Erosion Studies". Commenced February 1973, to be completed in March 1973. v. Continuing study of shoreline erosion—commenced in 1971. vi. Continuing updating of strip maps—commenced in 1966 by Department of Public Works. (c) i. "Geotechnical Aspects of Shoreline Erosion—Western Lake Ontario"—Prof. O. White, E. Matyas, Le Lievre (University of Waterloo) and Drs. Sly, Rukavina, Lewis and Mr. Coakley (CCIW). ii. "Tropical Storm "Agnes" Effects on Shore Erosion—Niagara Peninsula"—N. G. Freeman, T. S. Murty, W. S. Haras (CCIW). iii. "A Preliminary Summary of CCIW Shoreline Erosion Studies"—J. Coakley, W. Haras, M. Skafel (CCIW). (d) i. "Geotechnical Aspects of Shoreline Erosion—Western Lake Ontario"—Cooperative Study with University of Waterloo, Civil Engineering Department. ii. "Shore Erosion—Cause and Cure"—Developed in collaboration with Ontario Ministry of Natural Resources.

BANK OF CANADA GOLD RESERVES

Question No. 1,498—**Mr. Matte:**

What are the current gold reserves of the Bank of Canada and on which criteria is the issuing of paper currency and coins based?

Hon. John N. Turner (Minister of Finance): The Bank of Canada does not own any gold, either for reserve or for other purposes. Pursuant to Section 21 of the Bank of Canada Act, the Bank has sole right to issue notes intended for circulation in Canada. The Bank does not maintain gold reserves as a counterpoint of outstanding notes. The amount of the note and coin issue is determined by the general public's demand, and depends on whether the public prefers to hold its liquidities in the form of notes and coins rather than in the form of deposits with chartered banks and other financial institutions. Currency outside banks (coins and notes) represents only a portion of the money supply, which is usually defined to include currency outside banks and total Canadian dollar deposits with chartered banks. For economic stabilization purposes, the Bank of Canada's efforts are therefore directed towards controlling the total money supply rather than one of its components.

NATIONAL REVENUE—COST OF ADVERTISEMENT "FOLLOW THE BLUE—IT WILL GUIDE YOU THROUGH THE NEW TAX FORM"

Question No. 1,512—**Mr. Nystrom:**

1. What was the total cost to the Department of National Revenue for the advertisement regarding income tax forms called "Follow the Blue—It will guide you through the new tax form"?

2. (a) What was the total amount spent in daily and weekly newspapers (b) what was the total amount spent in magazines, periodicals and other publications?

3. What was the total cost of the advertisement (a) on television (b) on radio?

4. (a) What is the name and address of the advertising firm who prepared the advertisement (b) what was paid to the firm?

Hon. Robert Stanbury (Minister of National Revenue): Insofar as the Department of National Revenue, Taxation, is concerned: 1. $607,767.09

2. (a) $267,346.00 (b) $13,929.60

3. (a) $161,278.20 (b) $74,500.20

4. (a) Inter-Canada Advertising Agency, 1350 Sherbrooke West, Montreal. (b) Agency's commission is paid by the media, not by the Department.

NATIONAL DEFENCE—POSSIBLE REPLACEMENT VEHICLE FOR TWO HALF-TON CARGO VEHICLES

Question No. 1,520—**Mr. Rowland:**

1. Are the Canadian Armed Forces currently conducting evaluation tests of a possible replacement vehicle for the 2½ ton military cargo vehicles currently in service?

2. What are the names of the vehicles and their manufacturers currently being considered for this role?

3. What is the anticipated total cost of this purchase program?

4. What is the number of vehicles it is anticipated will be purchased and what is the anticipated per unit cost?

5. Will any eventual purchase contract contain the provision that the vehicle must be constructed in Canada?

6. Will any eventual purchase contract contain provisions for regional distribution of expenditures on the vehicle?

7. On what date may an announcement with respect to the letting of a contract be expected?

Hon. James Richardson (Minister of National Defence): 1. No.

2, 3, 4, 5, 6 and 7. Not applicable.

NATIONAL DEFENCE—REPLACEMENT FOR FIVE TON TACTICAL SUPPORT AND CARGO VEHICLES

Question No. 1,521—**Mr. Rowland:**

1. Are the Canadian Armed Forces currently conducting evaluation tests of a possible replacement vehicle for the 5 ton tactical support and cargo vehicles currently in service?

2. What are the names of the vehicles and their manufacturers currently being considered for this role?

3. What is the anticipated total cost of this purchase program?

4. What is the number of vehicles it is anticipated will be purchased and what is the anticipated per unit cost?

5. Will any eventual purchase contract contain the provision that the vehicle must be constructed in Canada?

6. Will any eventual purchase contract contain provisions for regional distribution of expenditures on the vehicle?

7. On what date may an announcement with respect to the letting of a contract be expected?

Hon. James Richardson (Minister of National Defence): 1. No.

2, 3, 4, 5, 6 and 7. Not applicable.

DEPARTMENT OF SUPPLY AND SERVICES PERSONNEL

Question No. 1,526—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of Supply and Services?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000?

3. How many full-time employees were there as of January 31, 1973 in the Department of Supply and Services?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. to 4.

Annual Salary in Thousands

	Full Time Employees	15	16	17	18	19	20	21	22	23	24	25	26	27	28,000–35,000
Jan. 31, 1970	8162	52	97	145	30	104	13	5	9	4	9	6	2	3	4
Jan. 31, 1973	8175				91	93	169	42	59	60	49	9	10	5	15

NATIONAL DEFENCE—NUMBER OF PERSONNEL SERVING IN CANADA NORTH OF 55TH PARALLEL

Question No. 1,530—**Mr. McKinnon:**

1. How many members of the Canadian Armed Forces are now serving in Canada north of the 55th parallel of latitude?

2. How many were serving north of the 55th parallel of latitude in March, 1963?

Hon. James Richardson (Minister of National Defence): 1. Six hundred and fifty-four.

2. In 1963 records were not maintained in a manner which would permit the number of Canadian Forces' personnel serving north of the 55th parallel to be identified.

UN POPULATION YEAR AND CONFERENCE, 1974

Question No. 1,660—**Mr. Brewin:**

1. Is Canada participating in a UN Population Year and Conference in 1974?

2. Has the government received requests from the UN Secretariat for Population Year for a "country statement" to be completed by March 1973?

3. Has the task of preparing such a "country statement" been referred to an inter-departmental committee?

4. Is it proposed to publish the results of the statement and, if so, where and in what manner?

5. Has the government consulted interested Canadian groups including the Churches in regard to the content of the "country statement"?

6. Will the government make available to Members of Parliament, by tabling or otherwise, the contents of the Canadian "country statement"?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Yes.

2. Yes.

3. Yes.

4. Yes. The statement will be tabled in the House

5. Due to the extremely short deadline imposed by the United Nations there was insufficient time actively to request participation of non-federal government organizations in the preparation of the paper but a number of unsolicited submissions by interested groups were taken into account. The matter of further consultations on this subject is under consideration.

6. Yes. The Government will make the Canadian "country statement" available to members of Parliament by tabling.

VETERANS AFFAIRS—NUMBER OF BOER WAR VETERANS AND PENSIONERS

Question No. 1,668—**Mr. Stewart (Okanagan-Kootenay):**

1. How many veterans of the Boer War are there in Canada?

2. How many veterans of the Boer War are receiving veterans pensions?

3. What is the average pension received by a veteran of the Boer War?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1, 2 and 3. Estimates of the veteran population and record of pensions in payment do not separately identify veterans of the Boer War. These data are included in World War I figures provided to answer to Question No. 1,670.

VETERANS AFFAIRS—NUMBER OF KOREAN CAMPAIGN VETERANS AND PENSIONERS

Question No. 1,669—**Mr. Stewart (Okanagan-Kootenay):**

1. How many veterans of the Korean War are there in Canada?

2. How many veterans of the Korean War are receiving veterans pensions?

3. What is the average pension received by a veteran of the Korean War?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Based on information obtained from the 1961 Census and adjusted for mortality by the Canadian Life tables, 1960-62, the estimated number at June 1, 1973 will be 26,000.

2. Two thousand and forty-three as at December 31, 1972.

3. Two thousand and forty-three Korean Campaign veterans as at December 31, 1972, were receiving a total amount of $2,272,008. Their average annual pension as at the date was $1,112.09.

[Mr. Brewin.]

VETERANS AFFAIRS—NUMBER OF WORLD WAR I VETERANS AND PENSIONERS

Question No. 1,670—**Mr. Stewart (Okanagan-Kootenay):**

1. How many veterans of the First World War are there in Canada?

2. How many veterans of the First World War are receiving veterans pensions?

3. What is the average pension received by a veteran of the First World War?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): In the records maintained by the Department of Veterans Affairs, information with reference to veterans of World War I includes the veterans of the Boer War. Consequently the answers to Parts 1, 2 and 3 of this question incorporate the information requested in Question No. 1,668. 1. Based on information obtained from the 1961 Census and adjusted for mortality by the Canadian Life Tables, 1960-62, the estimated number at June 1, 1973 will be 81,000.

2. Eighteen thousand nine hundred and thirty-five as at December 31, 1972.

3. Eighteen thousand nine hundred and thirty-five World War I veterans, as at December 31, 1972, were receiving a total amount of $28,537,125. Their average annual pension as at that date was $1,507.11.

NUMBER OF WORLD WAR II VETERANS AND PENSIONERS

Question No. 1,671—**Mr. Stewart (Okanagan-Kootenay):**

1. How many veterans of the Second World War are there in Canada?

2. How many veterans of the Second World War are receiving veterans pensions?

3. What is the average pension received by a veteran of the Second World War?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Based on information obtained from the 1961 Census and adjusted for mortality by the Canadian Life Tables, 1960-62, the estimated number at June 1, 1973 will be 769,000.

2. One hundred thousand five hundred and four as at December 31, 1972.

3. One houndred thousand five hundred and four World War II veterans, as at December 31, 1972, were receiving a total amount of $126,511,500. Their average annual pension as at that date was $1,258.77.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

NAMES OF PERSONS IN THE PUBLIC SERVICE SECONDED BY PRIVATE ENTERPRISE

Question No. 611—**Mr. Broadbent:**

1. What are the names of the persons presently in the public service seconded to the service by private enterprise on a temporary basis and, in each case (*a*) what are the names and addresses of their companies (*b*) what are the positions these persons occupy in the public service (*c*) what are the duties of these positions (*d*) what salary ranges do these positions carry (*e*) for what period of time were these appointments made?

2. What are the names of public servants who are presently on secondment on a temporary basis to private enterprise and, in each case (*a*) what are their positions and salary ranges in the public service (*b*) what are the names of the companies involved (*c*) for what period of time was the secondment made?

Return tabled.

CANADIAN ARMED FORCES—DISPOSAL OF JEEPS

Question No. 690—**Mr. Cossitt:**

1. Were any jeeps which were the property of the Canadian Armed Forces disposed of in any way since April 1968 and, if so, what was the manner of disposal?

2. Were any jeeps which were the property of the Canadian Armed Forces sold since April 1968 and, if so, for each vehicle (*a*) what was the name of the purchaser (*b*) what was the date of sale (*c*) what was the sale price?

Return tabled.

COST OF CONSTRUCTION OF GRAIN COMMISSIONERS BUILDING, WINNIPEG

Question No. 837—**Mr. Rowland:**

1. What is the current projected total cost of construction, to completion, of the Grain Commissioners Building in Winnipeg?

2. Does this represent an increase from the original projected cost and, if so, by how much?

3. Have any alterations, additions or modifications been made in or to the building at the request or order of the Department of Public Works or the project manager, by the use of "change orders", "change notices" or other means and, if so, what is the description of each modification, addition or alteration, and the cost thereof?

Return tabled.

AGRICULTURAL RESEARCH

Question No. 882—**Mr. Orlikow:**

1. How much money was spent for agricultural research by the government in the past year in (a) Department of Agricultural facilities (b) National Research Council (c) university faculties of agriculture?

2. How much money is it proposed to spend in the coming year for agricultural research through each of the above three categories?

Return tabled.

LOCAL INITIATIVE PROJECT

Question No. 960—**Mr. Lessard:**

As at February 10, 1973, how many Local Initiative Projects were accepted and what amounts were distributed in each county of the Province of Quebec?

Return tabled.

RETIREMENT AT AGE 55

Question No. 1,058—**Mr. McKinnon:**

Does the government allow employees of any department(s) to retire at the age of 55 and draw the two-percent cost of living increase on their pensions each year thereafter and, if so (a) what departments (b) is the same treatment made available to retired members of the Department of National Defence and, if not, for what reasons?

Return tabled.

NATIONAL REVENUE DEPARTMENT—NUMBER OF PERSONNEL 1963-1973

Question No. 1,089—**Mr. Paproski:**

1. How many full-time employees were under salary in the National Revenue Department on (a) January 1, 1963 (b) January 1, 1973?

2. How many people in each of these years were receiving salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) over $20,000?

Return tabled.

IMPORTS OF OFFICE EQUIPMENT

Question No. 1,201—**Mr. Towers:**

1. What was the amount, in dollars, of office equipment imported from the United States during 1972?

2. Is there any office equipment manufactured in Canada and sold to the U.S. or to any other country and, if so, in what amounts?

Return tabled.

PENITENTIARY SENTENCES

Question No. 1,462—**Mr. Orlikow:**

1. How many persons were serving penitentiary sentences in each penitentiary in Canada during 1972?

2. Of those serving penitentiary sentences, how many were (*a*) Indians within the meaning of the Indian Act (*b*) of Indian ancestry in each penitentiary during the year 1972?

Return tabled.

AGRICULTURE—TOTAL CROPS, SEEDED AREAS AND RAPESEED

Question No. 1,507—**Mr. Caouette (Charlevoix):**

1. By province, since 1967, what was (*a*) the seeded area (*b*) the total crops (*c*) the value of the rapeseed crop?

2. What part of such crops was exported and what part was consumed in Canada?

3. What were the rapeseed and its by-products used for in Canada?

4. What industries or enterprises are the largest buyers of rapeseed and its by-products and for what purpose are they used?

5. Does the government make grants of any kind to rapeseed growers and, if so, under what form?

Return tabled.

Mr. Diefenbaker: Mr. Speaker, I rise to make reference to starred question No. 1,658, which asks:

1. What information has the Department of External Affairs been able to secure concerning the disappearance of the aircraft operating under the auspices of ICSC which carried Mr. J. W. Douglas Turner, an external affairs officer, and two other Canadians on board en route to Hanoi on October 18, 1965?

2. Did the minister of external affairs, when in Hanoi, bring up this matter with the authorities in North Viet Nam, in Laos or South Viet Nam and, if so, what was he able to ascertain?

This is a very touching situation. The parents of this young man have been trying since 1965 to find out something concerning their son and the other two Canadians who disappeared at the same time. They have had a harrowing experience for eight long years. Some have endeavoured to get an answer to this question and have made inquiries of the Department of External Affairs, but without success. The Secretary of State for External Affairs was over there. The question could easily be answered and should be answered. No one who has not had a relative missing with no report of the missing person for years can fully appreciate how terrible is the plight for the mother and father of this young man.

• (1420)

Mr. Sharp: Mr. Speaker, I have approved the answer to the question and I do not understand why it was not given today. I will make inquiries, but may I say I have answered oral questions about these people who disappeared, and I share the right hon. gentleman's concern.

Mr. Diefenbaker: With no information in the oral answers.

Mr. Danson: Mr. Speaker, I rise on a point of order. I wonder if we can have some assurance that *Hansard* will be published on time tomorrow in view of the fact more questions on the order paper have been answered than at almost any other previous session of parliament, and answered promptly by the government.

Mr. Baldwin: Go back three years.

An hon. Member: You haven't even come close to it.

Mr. Hees: Never was such a large backlog answered with so little.

Mr. Reynolds: Mr. Speaker, I have had a question on the order paper since January 4, the first day the House sat. I should like the assurance of the parliamentary secretary that the question will be answered by Wednesday.

Mr. Reid: Mr. Speaker, I will be delighted to look into it.

MOTION TO ADJOURN UNDER S.O. 26

COMMUNICATIONS

BELL CANADA RATE INCREASES

Mr. David Lewis (York South): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the decision of the Canadian Transport Commission to grant Bell Canada almost all the rate increases it requested in its application A, and the need for the government to suspend the application of the decision immediately and to consider rescinding it as unacceptable and contrary to the public interest.

[Mr. Diefenbaker.]

Mr. Speaker: The hon. member for York South has given the Chair the required notice of his intention to propose this motion under the terms of Standing Order 26. Since then I have given the matter very serious thought, but even at this moment I feel that the decision should perhaps be delayed for a while as authorized by the Standing Order. I appreciate, as the hon. member does, and I am sure as all hon. members do, how important this matter is. I recognize it is a matter of urgency, a matter of national importance and one of concern to all members of the House.

What concerns me is that perhaps the method proposed under Standing Order 26 for discussion of this important matter may not be the best in the world and not the best in the circumstances. Hon. members know that a debate under Standing Order 26 is really an open-ended debate with no motion before the House except that the House adjourn, and the adoption of such a motion means that hon. members go home. I am not sure whether, in the circumstances and in view of the importance and interest in this matter, the best way would be to have a debate under Standing Order 26. It is a matter of substance and perhaps we should have it before us under a substantive motion rather than under a motion to adjourn the House.

It is because of this uncertainty and these qualms that I would like to be given an opportunity to give the matter further thought, perhaps in light of the question period and what may transpire later this afternoon, and then make a ruling, as I am authorized to do under Standing Order 26, later this afternoon, in any event at or before five o'clock. If there is to be a debate today it would take place at eight o'clock this evening, but at or before five the Chair will be in a better position to make a more informed and enlightened decision.

ORAL QUESTION PERIOD

COMMUNICATIONS

BELL CANADA AND CN-CP TELECOMMUNICATIONS RATE INCREASES—GOVERNMENT INTENTION RESPECTING REVIEW BY TRANSPORT COMMISSION—CABINET CONSIDERATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. In view of the appeal made by the Minister of Finance to labour and business to use restraint this year, I should like to ask whether the government intends to ask the Canadian Transport Commission to review its recent decisions granting increases in rates to Bell Canada and to CN-CP Telecommunications?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we are considering this question, and if an announcement is to be made it will be made.

Mr. McGrath: Mr. Speaker, may I ask the Prime Minister whether the cabinet is reviewing this recent decision

by the CTC in view of the significance to the economy and to the inflationary expectations in the country?

Mr. Trudeau: I have just answered the question, Mr. Speaker.

M. McGrath: In view of the very serious problem of the high cost of living faced in Canada today by all Canadians, may I ask the Prime Minister if the government is prepared to set an example by enforcing guidelines on areas within the government's jurisdiction?

Mr. Trudeau: Mr. Speaker, I believe we indicated as long as four years ago that to combat inflation we were indeed prepared to recommend guidelines and apply them ourselves.

BELL CANADA RATE INCREASES—REQUEST FOR SUSPENSION OF IMPLEMENTATION UNTIL GOVERNMENT STUDY COMPLETED

Mr. David Lewis (York South): I have a supplementary, Mr. Speaker. I wish to direct it to the Minister of Communications. Arising out of the decision of the Canadian Transport Commission of last Friday, I ask the minister whether he has had a chance to study the decision and whether he will take steps to suspend the operation of that decision until the government has had time to study it and take action on it.

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, as just stated by the Prime Minister, the matter is under consideration. The hon. member knows that parliament has deemed it advisable to entrust control to an independent body, the Canadian Transport Commission. He also knows that the government, that is the governor in council, cannot decide to alter, suspend or annul a decision unless there is an extremely serious reason to do so—for example, if the decision is based on a false assumption—or on serious factual mistakes.

When I learned that decision, as did all hon. members on Friday last, I acted as is normally done in the Department of Communications when such decisions are made; I asked my officials to determine as soon as possible whether government intervention is warranted. Once I have on hand the conclusions of that study and the consideration by the government, I will be in a position to answer the hon. member's question in the House.

[*English*]

Mr. Lewis: Mr. Speaker, I fully appreciate what the minister has said, but in view of the fact that the decision of the Canadian Transport Commission states toward the end that the change in tariffs will come into effect one week after the tariffs are tabled with the commission, in view of the fact that this may happen very soon, and finally in view of the fact that once those tariffs are imposed changing them or rolling them back would present the government with great difficulty, may I ask the minister whether he is now studying—I hope favourably— the possibility of suspending the operation of the decision so that he and his colleagues may have time to decide what they may do about it?

[*Translation*]

Mr. Pelletier (Hochelaga): Mr. Speaker, in order to recommend to the government if only to suspend that decision, what I have just said must be ascertained. There must certainly be an extremely important reason. There are very few precedents in this field. In view of the philosophy of the government, and even of parliament quasi judicial bodies are independent from the executive power, as much as possible, and this government endeavours to respect this autonomy. However, as I said, I for one have asked senior officials of the department to review this question as soon as possible and I certainly do not propose to delay the decision making process regarding this.

[*English*]

Mr. MacDonald (Egmont): A supplementary—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for York South on his second or third supplementary and then the hon. member for Egmont. If there are further supplementaries, hon. members will be recognized after I give an opportunity to an hon. member of the other party to my right to ask a question. For the moment, the hon. member for York South has the floor.

• (1430)

Mr. Lewis: May I ask the minister whether, in view of the fact that the law has not only set up the Canadian Transport Commission and given it certain authority but has also given the Governor in Council authority to vary or rescind any decision made by the commission, in view of the fact that parliament must have given that authority to the government so that the government could use that authority when the appropriate circumstances are present, and because of the other facts I stated in my last question, could he guarantee to present an answer to the House within a week from this day before the new tariffs are likely to come into operation?

[*Translation*]

Mr. Pelletier (Hochelaga): I can promise, Mr. Speaker, to do everything I can to that end, but I think that it would be presumptuous of me to promise that, within the next five days, the department's review would be concluded. I could not promise him that. I can only assure him that I will hurry.

[*English*]

BELL CANADA RATE INCREASES—SUGGESTED APPOINTMENT OF DEFENDER OF INTERESTS OF GENERAL PUBLIC IN SUCH APPLICATIONS

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the fact that these recent rate increases and other actions taken by the Canadian Transport Commission indicate there is an obvious lack in the workings of the commission in that there is little opportunity for the public to be represented with the same degree of effectiveness that large corporations such as Bell Telephone and others have in presenting their cases, are the Prime Minister and his colleagues giving some thought to introducing legisla-

tion so that all of these impartial boards, such as the CTC, would have before them from time to time, when requests are being made such as the Bell Telephone application, those who would act on behalf of the public interest or as a defender of the general public in order to present their case with the same effectiveness as that possessed by those speaking on behalf of very large corporations that have the resources to make their presentations effectively?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, under the law which created the CTC and which was debated at great length in parliament not many years ago, the CTC was set up indeed as a defender of the public interest, one which was to look into all aspects of any question before authorizing any rate increase. That is why in a sense the control of rates, of prices and of wages in our economy, if recommended at all, will have to be done by boards that represent the public interest, as does the CTC. I will certainly consider the suggestion made by the hon. member to see if in some way the board can be assisted in its duties of representing the public interest, and if the suggestion has merit we will discuss legislation.

Mr. MacDonald (Egmont): In this consideration would the Prime Minister consider as an example the months of testimony before the CTC, when it appeared obvious that the role of the CTC was that of a judge hearing the facts impartially. The fact that one very large corporation had tremendous resources while those who attempted to represent the public interest did so, unfortunately, with very limited effectiveness because they lacked similar resources, and that this may be one reason for the decision with which we are faced now?

Mr. Trudeau: The hon. member is really questioning the philosophy which is at the base of all public interest boards. I believe parliament agreed at the time—and I certainly still share that view—that tribunals, boards and judicial or quasi-judicial bodies are set up to represent the public interest. The idea that they are automatically influenced by some strong representation made to them is not one which I share. I repeat that there may be some added procedures that might be introduced to ensure that the board is enlightened further, but until I have seen evidence to the contrary I do take the view that these boards are there and that they do speak for the public interest. Indeed that is why, as the Minister of Communications just indicated in his answer, they are removed from the executive power, to make sure that there will be no undue interference by politicians in the subject.

Mr. MacDonald (Egmont): Mr. Speaker, I have one final supplementary question. In attempting to review this process—and I think it is the process, not the philosophy, with which hon. members are concerned—would the Prime Minister inquire or those who did make representations at the recent hearing whether they felt they had adequate resources to deal effectively with some of the very complicated issues that were adjudicated by the CTC?

Mr. Trudeau: I can certainly look into the matter, but I am afraid there is a difference of principle between the attitude of the hon. member and that of the board as it is set up under the law. I can only remind the House that, indeed, if any form of control is to be introduced it has to be set at arms' length from the government and it should not be subject to interference, not only by the government but by parliament, on a day to day basis.

Mr. Stanfield: That is not the question.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, would the Prime Minister, in his reconsideration of this very important matter of principle, look at the debate on the establishment of the CTC which took place in January, 1967, and in particular examine the motion of the hon. member for Peace River, seconded by myself, on this very point in which we gave the examples of Australia and Saskatchewan as a way of not interfering with the efficient handling by the CTC but at the same time giving parliament some control, and look in particular at how the vote took place on that amendment?

Mr. Speaker: The hon. member for Kootenay West.

* * *

ENERGY

SUGGESTED IMMEDIATE DISCUSSIONS WITH UNITED STATES AND OTHERS ON TRANSPORT OF ALASKAN OIL THROUGH CANADA

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the Supreme Court decision announced today in Washington, which effectively barred the Alaska pipeline and the proposed tanker route along the Pacific coast, is the minister considering holding immediate discussions with the United States authorities, the British Columbia government and others on the subject of the only alternative left to the United States, namely, the transport of Alaskan oil through Canadian territory?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we would like to see the decision and have a full report on it and also get an assessment of its impact under United States law, namely, whether the decision of the Supreme Court effectively bars Alyeska or whether possible Congressional action can remove that particular bar.

As I have told the House several times, the government has been active in presenting to the U.S. administration the possibilities of the Mackenzie route through Canada for Alaskan oil and, as I also indicated, this, of course, is dependent upon the terms of the National Energy Board Act which in the first instance puts the judgment on this in the hands of the National Energy Board. What we would like to do is to get a full assessment of the U.S. position before making further public statements at this time.

Mr. Harding: Will the minister consider placing this important matter before the appropriate standing committee of the House for investigation and study without delay?

Mr. Macdonald (Rosedale): It really is before a committee now, as the hon. member knows as a participant in the National Resources and Public Works Committee. If the committee chooses to elect this particular subject matter under the estimates of my department, I would be prepared to go ahead and have a full discussion of it. It is up to the steering committee to decide on the subject matter with which they would like to deal under this general heading.

CO-ORDINATION OF CANADIAN OPPOSITION TO PROPOSED WEST COAST OIL TANKER ROUTE THROUGH JOINT GOVERNMENT COMMITTEE

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary question for the minister. Can he advise the House whether there is now a joint task force or committee of the federal government and the B.C. government instructed to co-ordinate Canadian opposition to the tanker route, and I emphasize the word "now"?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As I indicated to the House, we immediately requested of Premier Barrett the information and the professional studies upon which he had put forward his Yukon railway proposal, and I sent to British Columbia last week the assistant deputy minister of my department to look further into the preparation that the B.C. government had done prior to this. I might mention to the hon. member who is the environmental critic, that not all environmental critics favour the Mackenzie pipeline route as a means of dealing with the transportation of oil products.

• (1440)

Mr. Fraser: Mr. Speaker, may I ask the minister to again consider what I asked him, and that is whether there is any joint committee? Is there any plan on behalf of the government to set up a joint co-ordinating committee with British Columbia, and has British Columbia been invited in specific terms of join in such a committee, because even the Prime Minister said eight weeks ago that time was of the essence?

Mr. Macdonald (Rosedale): Mr. Speaker, we are dealing here with federal responsibility for the Mackenzie Valley and with a pipeline which in essence will not go through British Columbia at all. I have a little difficulty in understanding why the British Columbia government would be participating in this kind of decision, to be taken under federal law, with regard to a pipeline passing through federal territory. We regard ourselves in this parliament as representing the interests of so far as the west coast is concerned, British Columbia, and it is for that reason I have been active in the past year in presenting this alternative to the United States authorities.

Mr. Speaker: Order, please. I note that there are a number of supplementaries on this subject. I am not sure whether the right hon. member for Prince Albert also wishes to ask a supplementary on this matter.

COMMUNICATIONS

BELL CANADA RATE INCREASES—AUTHORITY OF GOVERNOR IN COUNCIL IN REGARD TO FINAL DECISION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is supplementary to one asked earlier and concerns a statement by the Prime Minister in connection with what, on the face of it, appears to be an outrageous increase in rates on the part of the Bell Telephone Company. The Prime Minister told the House that, after all, the Canadian Transport Commission is an independent body, set up free for parliament, and so on. Is it not a fact that regardless of how independent it is, the final decision as to whether the increases shall be granted rests with the Governor in Council, the cabinet, which has the power to suspend, postpone, alter, or do away with altogether the recommendations that are made by the commission? Does not the final power rest with the Prime Minister and his cabinet?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems that the right hon. gentleman is asking for a legal opinion.

Mr. Diefenbaker: Oh, no.

Mr. Trudeau: And if on the face of it the rate increase is so obviously outrageous, I do not see why his party does not condemn it unequivocally.

Mr. Diefenbaker: This is a typical example of the Prime Minister playing with the parliament of Canada.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I would be the last to ask him for a legal opinion.

Some hon. Members: Oh, oh!

Mr. Sharp: Why did you ask, then?

Mr. Diefenbaker: Oh, he even has the support of his Secretary of State for External Affairs. I ask him this question: has not the government of Canada the right under the statute to do that which I suggested a moment ago, or has he not read the statute?

Mr. Trudeau: Mr. Speaker, the right hon. gentleman says that he would be the last to ask me for a legal opinion. He has just asked me for a legal opinion. I can only say that as he is constantly bemoaning that this place is not lively enough I am sure he and I will want to contribute to the liveliness of it.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: On a question of privilege—

Mr. Speaker: Order, please. If the right hon. member is rising on a question of privilege he will be recognized for that purpose. I was under the impression that we were going to deal with supplementaries to the second question. When we have settled the question of privilege the Chair will return to the hon. member for Kootenay West, then

the hon. member for Calgary North and then the hon. member for Yukon who have supplementaries on the second subject.

Mr. Diefenbaker: I rise on a question of privilege on behalf not only of parliament but of the people of Canada. The Prime Minister refuses to admit his responsibility and that of his cabinet. He tries to brush it aside by an imaginary suggestion that a legal opinion is involved. The people of Canada look to the government, although I know unsuccessfully, to protect them from this type of inflation.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Kootenay West.

* * *

ENERGY

REQUEST FOR THOROUGH EXAMINATION OF BRITISH COLUMBIA PROPOSAL THAT ALASKAN OIL BE TRANSPORTED BY RAIL

Mr. Randolph Harding (Kootenay West): Mr. Speaker, my supplementary question is directed to the Minister of Energy, Mines and Resources.

Mr. Speaker: Order, please. The hon. member for Kootenay West has the floor and he should be given an opportunity to ask his question.

Mr. Harding: My supplementary relates to the Alaska pipe line. I felt the minister indicated that preference would be given to the Mackenzie Valley route. I would like to ask him whether he will assure the House and the government of British Columbia that a very thorough discussion and examination of its proposal of a railway to transport oil from Alaska will be undertaken before any decision is made as to which route, if any, is to be taken?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, but I would only say that if Premier Barrett in fact did any studies before making his Yukon railway proposal, I am certain he will be glad to make these background studies available to the government of Canada. I hope they will be forthcoming shortly.

U.S. SUPREME COURT DECISION BARRING ALASKA PIPELINE—SUBMISSION OF CANADIAN POSITION—REQUEST FOR POLICY STATEMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the decision of the Supreme Court of the United States, has the minister now officially or unofficially put forward Canada's position very clearly so that the U.S. Congressional hearing at least will have that knowledge? Second, since there seems to be some question of where the government stands on this issue, would the minister undertake to make a clear and unequivocal statement on the energy policy of the government, particularly when we are dealing with an energy problem that really is a world crisis?

[Mr. Speaker.]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it seems to me that the second question would require a statement rather longer than I would be allowed to give during the question period. With respect to the first question, I would remind the hon. member that repeatedly during the past year and several months since I have been in this portfolio I have put the position of the government regarding the possibilities of the Mackenzie route before the House and the government of the United States. I am, however, governed by the National Energy Board Act as to the decision that should be taken.

Mr. Woolliams: Mr. Speaker, I am well aware that it would take too long today, but I am asking if tomorrow or very soon the minister will make an unequivocal statement on the national energy policy of the government, dealing with this matter of whether we are going to have a supertanker route down the west coast or whether we are going to have a pipeline, because that energy is going to be moved in spite of this government that will not be moved?

Mr. Macdonald (Rosedale): Mr. Speaker, I think it is important to remind the hon. member that the oil resource he is talking about is not here in Canada. It is in Alaska and the Americans are seeking to move it to the southern 48 states. If he pauses to think about it for a moment he will realize that the question of a trans-Alaska pipeline is one of U.S. energy policy and not of the government of Canada.

Mr. Speaker: The Chair will recognize the hon. member for Yukon and after his supplementary try to go to another subject.

REQUEST THAT TERRITORIES BE REPRESENTED ON ALL BODIES CONCERNED WITH POSSIBLE NORTHERN PIPELINE

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have only one supplementary. I would like to direct it to the Prime Minister since it involves several departments of government and the question of a pipeline. I ask him to give the people of the Yukon and the Northwest Territories his personal assurance, and that of his government, that in all discussions, on all task forces, and in all consideration given to the matter of a pipeline to be built through the northern portion of this country, the people there will be represented through their elected representatives on the territorial councils?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, whenever it is appropriate we do ensure such representation.

* * *

INDIAN AFFAIRS

ALLEGED TUBAL LIGATION OF NATIVE WOMEN WITHOUT THEIR KNOWLEDGE OR AGAINST THEIR WILL

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I wish to direct a question to the Minister of

Indian Affairs and Northern Development. In view of the fact that a program of tubal ligation is being carried out on native women who apparently do not understand the consequences or claim they have not been informed that they are being sterilized, can the minister say what steps are being taken to rectify this shocking situation?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): First of all, Mr. Speaker, I do not accept the hon. member's statement that this program was set up by the government.

I listened myself to yesterday's CBC program; the Deputy Minister of National Health had given instructions concerning these operations.

Mistakes may have been made, and I know that my colleague, the Minister of National Health and Welfare, is studying the problem at the moment. But the government has no established policy concerning the sterilization of Indian women.

[*English*]

Miss MacDonald (Kingston and the Islands): Is the minister suggesting that the native women who were interviewed on the CBC and said the operation was done either against their will or without their knowing were in fact making false statements?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I said just now that there is always a possibility of mistakes. But the government's policy on this is quite clear, and these operations only take place when requested by the person concerned. The Department of National Health and Welfare requires in every case that there should be an interpreter present to facilitate conversation between the two doctors and the patient.

* * *

• (1450)

[*English*]

FINANCE

LOWERING OF TARIFFS ON FOOD IMPORTS—POSSIBILITY OF SIMILAR ACTION RESPECTING OTHER SEGMENTS OF ECONOMY

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct a question to the Minister of Finance. Because of the government's action in lowering the tariff on food imports and in setting up a special committee to study trends in food prices, and because of the concern expressed about the tremendous increase in food imports into Canada, is the government now considering controls or guidelines or direct action aimed at any other segment of the Canadian economy, or are the farmers of this nation and their families to bear the entire financial burden of the government's fight against high living costs?

Mr. Speaker: Order, please. The hon. member will appreciate and will agree, I am sure, that the second part of his question is argumentative and in this way the question is not in order.

Mr. Danforth: Mr. Speaker, may I rephrase the question?

Mr. Speaker: The hon. member should not be allowed to ask a supplementary to a question that is out of order, but I will be pleased to allow the hon. member to rephrase the question.

Mr. Danforth: Mr. Speaker, that was my point. Thank you. May I ask the minister if the government contemplates imposing any controls or guidelines on any other segment of the Canadian economy comparable with those now imposed on the primary producers of this nation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, despite the fact that the hon. gentleman has rephrased his question I want to say to the House that I do not accept his preamble and that the budgetary measures to which he refers also include a good many benefits to the farmers of this country, including transfers on death of the family farm and a good many items affecting farmers as consumers.

Mr. Baldwin: A supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Peace River on a supplementary and then recognize the hon. member for Vancouver-Kingsway.

JURISDICTION RESPECTING IMPOSITION OF PRICE CONTROLS—STATEMENT BY MINISTER OF AGRICULTURE—GOVERNMENT POSITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I direct a supplementary question to the Prime Minister. Would he at the earliest opportunity make a statement on motions indicating if the Minister of Agriculture was enunciating government policy when he said in the House on Friday that only provincial governments have the right to deal with questions of controls? Would he at the same time indicate what are the circumstances of emergency under which this government would see fit to act?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me that is a question of constitutional law.

Some hon. Members: Oh, oh!

Mr. Hees: This is a new low for non-answers, Pierre.

* * *

FOOD PRICES

REPORT OF SPECIAL COMMITTEE—CONSIDERATION BY CABINET—REQUEST FOR STATEMENT ON IMPLEMENTATION OF RECOMMENDATIONS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question to direct to the Prime Minister. Would the Prime Minister assure the House that he will assign to his cabinet top priority for the consideration of

the recommendations of the Special Committee on Trends in Food Prices?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the minister will report to cabinet on the findings of the committee.

Mrs. MacInnis (Vancouver-Kingsway): In view of the urgency of the situation of rising food prices, resulting in protest movements of consumers across Canada, would the Prime Minister assure the House that he or one of his ministers will make a statement on motions within a week as to the government's intention in regard to implementing the recommendations of the committee report?

Mr. Trudeau: Mr. Speaker, I will consider that suggestion.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, may I direct a supplementary to the Minister of Industry, Trade and Commerce. Did the government take any initiative to discourage Japanese food buyers from buying food, especially pork, in the last two weeks or so in this country?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I know of no such initiative.

* * *

IMMIGRATION

REQUEST FOR EXPLANATION OF ARREST OF CERTAIN PERSONS IN TORONTO—POSSIBLE EXTENSION OF REGISTRATION DEADLINE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct my question to the minister responsible for immigration. Is he aware that on Friday, I believe just prior to the deadline, 60-odd persons were arrested in the city of Toronto? If so, could he shed some light on this procedure which calls for an explanation, failing which the gentle hand theory would perhaps go out the window?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think the number is overstated. All the persons who were arrested last week in Toronto had arrived in Canada during November and December of last year and at that time they were not considered bona fide non-immigrants. All were released under bond to appear at a later date for a special inquiry. Those arrested had failed to appear and were arrested under provisions of the Immigration Act; all will appear at inquiries early this week.

Mr. Alexander: As there seems to be an indication by some immigration officers that they are extending time for registration, is this now government policy, or is the minister giving consideration to this matter in terms of extending the time for registration?

Mr. Andras: Mr. Speaker, people wishing to register can come forward at any time, but the deadline for registration as indicated in the release and the regulations early in January will stand. However, I expect to be able to make a more definitive and complete statement on this within a few days, and I hope to have the opportunity before the appropriate committee, I believe later this week.

[Mrs. MacInnis (Vancouver-Kingsway).]

* * *

NATIONAL DEFENCE

INQUIRY WHETHER HMCS "SAGUENAY" HELICOPTER EQUIPPED AND DISPATCHED TO SOUTHEASTERN ASIA WATERS

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is either for the Acting Minister of National Defence or for the Secretary of State for External Affairs. Is *HMCS Saguenay* helicopter equipped and has it been dispatched to Southeastern Asia waters to join the *Terra Nova*?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I will be pleased to take the question as notice on behalf of my colleague.

* * *

INDIAN AFFAIRS

DECISION ON FUTURE OF COQUALEETZA COMPLEX—REASON SALISH WEAVERS ASKED TO VACATE PREMISES

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I wanted to direct my question to the Minister of National Health and Welfare but in his unavoidable absence I will direct it to the parliamentary secretary. It is based on a letter received from the minister under date of March 29 with respect to the Coqualeetza complex in my constituency, in which he states: "I have agreed to delay a final decision until March 23 pending receipt of the proposal." He was referring to the brief of the Indian chiefs. May I ask the parliamentary secretary if a final decision has yet been taken with regard to the future of the Coqualeetza complex?

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the presentation made by the Indians has been received by the department, is under active consideration, and no final decision has yet been reached.

Mr. Patterson: In view of the fact that the decision has not been made and also in view of the fact that action that is contemplated will destroy years of work and progress in reviving their native art and establishing sales outlets, could the parliamentary secretary advise the House why the Salish weavers have been ordered to vacate the Coqualeetza premises by March 31?

Mr. Cafik: Mr. Speaker, I am not aware of the point made by the hon. member and can neither confirm nor deny it, but I certainly agree that it is a matter of considerable interest. It will be looked into by the department immediately.

CONSUMER AFFAIRS

FOOD PRICE INCREASES—REQUEST THAT PRIME MINISTER MEET FARM ORGANIZATIONS TO OBTAIN VIEWS—MEETING WITH WESTERN PREMIERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct my question to the Prime Minister. In view of the finding of the food committee that the producer is suffering as much as the consumer from the fact that prices between the farm gate and the consumer continue to widen, will he meet with farm organizations in order to obtain the benefit of their views on current trends in prices?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the cabinet met less than three weeks ago with two farm organizations which made representations to cabinet on this and many other matters. I am always prepared to meet with representative organizations.

Mr. Gleave: May I ask the Prime Minister if, in view of the recent meeting of the four western premiers in which they expressed some unhappiness over the treatment that western Canada is now getting from Ottawa, he will contact the western premiers in order to ensure that there will be a meaningful exchange of views and concrete action at the forthcoming meeting next July with regard to some of these problems?

Mr. Trudeau: Mr. Speaker, surely the House realizes that it is the federal government that initiated these meetings and suggested they were necessary to meet problems that exist in the west. Therefore the hon. member's enjoinder should be addressed to the premiers rather than to this government.

* * *

NATIONAL PARKS

PROPOSED GROS MORNE PARK—DECISION ON NEWFOUNDLAND REQUEST FOR RENEGOTIATION OF BOUNDARIES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Can the minister advise, as he indicated he would, whether he has reached a decision with regard to the request by the province of Newfoundland to renegotiate the boundaries of Gros Morne Park as they now discriminate against communities whose citizens do not want to move?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have made a decision and I hope to be able to inform the government of Newfoundland of it next week. I prefer not to inform the House so as not to be accused of favouritism.

[*English*]

[*Later:*]

Mr. Marshall: Mr. Speaker, I rise on a point of order. The Minister of Indian Affairs and Northern Development indicated he would be providing information to the province of Newfoundland. As national parks fall within federal jurisdiction and as the member for Humber-St. George's-St. Barbe represents that district, will the minister indicate why I cannot get the information?

Mr. Chrétien: Mr. Speaker, I will communicate with both at the same time so that one will not be jealous of the other.

* * *

REGIONAL ECONOMIC EXPANSION

INQUIRY AS TO MEETING BETWEEN MINISTER AND NATIVE COUNCIL OF CANADA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Is the minister going to meet soon with the Native Council of Canada as requested by its president, Mr. Tony Belcourt, so that the council can have an input into the revised DREE policies which I understand will be announced in the not too distant future?

• (1500)

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I will be more than pleased to meet with the particular group to which the hon. member refers. I had some meetings three or four weeks ago with one group, the Manitoba Indian groups that may wish to meet with me.

SUGGESTED AMENDMENT TO LEGISLATION TO GIVE CROWN EQUITY IN CORPORATIONS RECEIVING GRANTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to ask the Minister of Regional Economic Expansion a question in terms of the review of his policy. Is the minister in a position to inform the House today whether the government will make it a requirement in the future that companies receiving financial assistance of any form from the federal government, will give the government of Canada some degree of equity in the corporation, as a consideration for the assistance?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, this is one of several facets of the changes in the Regional Development Incentives Act that we are considering. The hon. member and I have had conversations on this. There are cases where it is an attractive proposition and, where that exists, we are certainly prepared to exercise that option.

* * *

INDIAN AFFAIRS

ALLEGED TUBAL LIGATION OF NATIVE WOMEN WITHOUT THEIR KNOWLEDGE OR AGAINST THEIR WILL—PROVISION OF INTERPRETER

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. This matter was raised by my

colleague, the hon. member for Kingston and the Islands. Can the minister, in conjunction with his colleague, the Minister of National Health and Welfare, take such steps as will be necessary to assure these unfortunate native mothers that there will be on the staff of the Charles Camsell Hospital in Edmonton people who are able to communicate with them in their own language and dialect concerning the problems surrounding the very matter the hon. lady has been discussing?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is already the government's policy to ensure that there is an interpreter present. That may not be necessary in every case, but when the problem is discussed, the policy established by my colleague is that the choice must be given to the person concerned through an interpreter if this is necessary; I believe the Parliamentary Secretary to the Minister of National Health and Welfare may have more information to give the House.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

HALIFAX HARBOUR—SUGGESTED MEETING WITH FISHERMEN TO PLAN FOR DISPOSITION OF DREDGED MATERIAL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of the Environment. Will the minister use his good offices to suspend the dredging program in connection with the auto port in Halifax harbour until such time as the environmental protection service people have had an opportunity to meet with the fishermen and work out an adequate way of dumping the dredged material?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I will make inquiries and ensure that the necessary steps are taken.

* * *

EXTERNAL AFFAIRS

REPORTED ARREST OF GREEK LAWYERS ACTING IN DEFENCE OF STUDENTS—REQUEST FOR EXPRESSION OF CONCERN BY GOVERNMENT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. I put this question to the Acting Prime Minister on Friday. Has the government received information that six Greek lawyers involved in the defence of students on trial in Athens have themselves been arrested, are being detained in police headquarters there and are reported to have been subjected to torture? If so, will the minister take the appropriate steps to indicate the humanitarian concern of the Canadian government and the Canadian people?

[Mr. Macquarrie.]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, like the hon. member, I have been aware of these reports. First, I ought to make it clear there are no Canadians involved, neither as lawyers nor students, so we are not directly concerned to make representations on behalf of Canadians. However, we are concerned about the suppression of civil liberties in Greece. I have made representations along these lines to the Greek government and have made them publicly as well. However, one has to bear in mind that when dealing with an intervention in a legal proceeding one has to be careful not to do damage to those people one is trying to help.

* * *

INDUSTRY

REQUEST FOR STATEMENT ON PROPOSALS TO ASSIST SMALL BUSINESSES

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. On Friday, the minister referred to "new proposals which I am preparing in order to provide additional special assistance to small business." Is the minister willing to indicate to the House whether he can make a statement on motions tomorrow indicating what those proposals will be to help this very vital sector of our economy?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, these proposals are under very active consideration at the present time. When I have an announcement to make on policy changes, it will be made in the normal fashion.

Mr. Speaker: Order, please. We are reaching the end of the question period. The hon. member can ask a supplementary, and I will then try to recognize one or two additional questioners without supplementaries.

Mr. Beatty: Can I ask the minister whether he intends to introduce these proposals while there are still some small businesses left in this country?

* * *

MANPOWER

REQUEST FOR EXTENSION OF CLOSING DATE OF ON-THE-JOB TRAINING PROGRAM

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Due to the fact that manpower centres have not been able to complete contracts under the training-on-the-job program relating to the job creation element, which includes agriculture, as of the March 31 closing date because of shortage of applicants for available jobs, will the minister consider extending this program until April 30?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will give the representation consideration.

INDIAN AFFAIRS

THE PAS INDIAN BAND—DISPUTE CONCERNING OPERATING FUNDS—GOVERNMENT ACTION

Mr. Keith Taylor (Churchill): Mr. Speaker, I wish to direct my question to the Minister of Indian Affairs and Northern Development. Is the minister aware of the dispute between his department and The Pas Indian band concerning operating funds? In view of the fact the band has relinquished all responsibility for programs on the reserve, and in view of the fact that over 300 children are not attending school, will the minister assure the House that he will take the necessary action to resolve the dispute without delay?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, I have been informed of the situation. I feel it is unfortunate because just a few years ago there was absolutely no program vesting Indians with the authority to administer their own funds. However, we must operate within a budget and we are unable to meet the requirements of all Indians; I hope to be able to meet some of their requests. I do not believe it is possible to meet all their aspirations within one year. We have progressed tremendously in this area during the past few years, and attitudes of the kind that have been taken recently are not likely to further the cause of Indians more rapidly.

[*English*]

Mr. Speaker: Orders of the day.

Mr. McGrath: Mr. Speaker, I rise on a point of order. I hesitate to do so. I had hoped to ask a question on this. In replying to a question on the government's jurisdiction over the Canadian Transport Commission with regard to the decision-making of that body, the Minister of Communications left some doubt whether he knew what he was talking about. He seemed to indicate there was some question whether the government had any jurisdiction after a decision had been made. Since that time I have had an opportunity to examine the National Transportation Act. For the education and edification of the Minister of Communications, may I refer him to Section 64(1) which gives the Governor in Council the authority to rescind any order of the Canadian Transport Commission.

* * *

TRANSPORT

NEWFOUNDLAND—REQUEST FOR ASSISTANCE OF ICE BREAKER

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I rise on a point of order. I am not sure how to get my point across to Your Honour and the House. For the past six or eight weeks the east coast of Newfoundland has been suffering from the worst ice blockade in history. Today, we received serious reports about a fuel shortage and the fact that one vessel is dangerously stuck in the ice floes. Despite the diligent efforts of the departmental officials to serve all the needs of the local inhabitants, they have not been able to do so. I wonder if I could ask the minister today to state whether he could mobilize some icebreaker facilities to assist in what could be a very serious situation. I am reluctant to ask this question, but it is of a nature that is very urgent and not the typical question raised in the House.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am ready to consider that and discuss it with the hon. member.

• (1510)

GOVERNMENT ORDERS

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed, from Friday, March 30, consideration of the motion of Mr. Gillespie that Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. David Lewis (York South): Mr. Speaker, when this debate was adjourned on Friday, I was in the course of emphasizing that the economic nationalism, if you like to call it that, to which my hon. friends and I subscribe is not an expression of xenophobia but an essential ingredient of individual and national dignity. I said last Friday, in effect, that it was neither arid nationalism nor a case of outdated chauvinism. It is, as far as I am concerned, an assertion of a healthy national individuality. I put it to you, Mr. Speaker, that we cannot have confidence in ourselves if we lack confidence in our own country, and that a country incapable of making its own decisions would, indeed, deserve no confidence. That is the road along which we are now travelling. Fortunately, however, Canada at the present time still deserves our confidence; our people across the country know this and are proud of this. But we must take immediate steps to make sure that our ability to maintain this status is not further eroded.

The fact is that over the last five years an endless stream of statistics and studies has convinced even the most sceptical of Canadians that our economy is largely controlled from outside our borders and, this being so, many political decisions must at least be influenced by pressures which do not originate in Canada and which therefore fail to reflect Canadian interests.

May I remind the House of a couple of statements made by the President of Mexico last Friday—statements which I accept without reservation? I quote from page 2802 of *Hansard*:

The control of the state over the main economic processes is a necessary condition to maintain the autonomy of its political decisions. That is why there is a general concern to study and regulate

the characteristics of foreign investment and of ways to absorb technological resources.

I will simply say that this has been the position taken by the New Democratic Party since its foundation. We have emphasized that it is impossible in modern conditions for a country to be politically self-reliant if it continues to be an economic dependency of a powerful neighbour, as is rapidly becoming the case as far as Canada is concerned.

The President of Mexico, a little further on in his address, said something which I also consider to be of great value and importance when he stated:

Within a framework of independence we shall accept and use technology in so far as it adjusts to the aims of our economic policy. We shall try to eliminate practices or stipulations which limit our exports, prevent the development of our own technology, make production more expensive or hinder our autonomous development. In short, we want technology to be an instrument of progress, not of subjection.

Nothing could be more relevant to this discussion. I subscribe to that comment without reservation. It is an eloquent statement of the position which my hon. friends and I have presented to the people of Canada for many years. Canadian governments and business leaders in this country have in the past made a fetish of economic growth for its own sake, without considering the quality of that growth or what it held for the future of Canada and what it did to the lives of Canadians in the process of the exploitation of their resources. The result is that we have a branch plant manufacturing industry which is not as efficient as it should be, one which is not as rationalized or as specialized as it should be to meet world competition. Second, there is little research done in Canada. Business leaders and governments have relied on foreign-owned corporations to carry out research elsewhere because it was cheaper to do so in that fashion than to be concerned with the skills and talents of scientists and others in this country and the future of Canada in a technological world.

In the resource industries, we have permitted these multinational corporations to ship out not merely Canadian resources but Canadian jobs, because we have allowed them to make use of our raw materials with little processing or refining or development done in this country. We ship out raw materials and later we buy back the finished product made from those materials in the United States or elsewhere. This is the way to the exhaustion of our natural resources without benefit to the people of Canada. It is not the way of a country which is proud, self-reliant and determined to define its own future.

Indeed, as I pointed out in great detail during the last election campaign, we have developed a taxation system deliberately designed to make it possible for multinational corporations to exploit our resources, and concentrate economic development particularly in the acquisition of massive investments in oil, energy and mineral products rather than in the manufacturing and service industries which provide Canada with the jobs that are needed. I say that this development, encouraged by Liberal and Conservative governments, as well as by the leaders of business in Canada—all continentalists, no matter how much they may deny it—has left Canada at the mercy of multinational corporations. This applies particularly in the sphere of exports where these corporations divide up world export markets. Canadian governments have helped this process. I refer, for instance, to the agreement by the Conservative party in the early sixties to divide Canada into two oil markets, one for the distribution of Canadian oil from the west and the other, east of the Ottawa River, for the sale of oil imported by the very international corporations which exploit our western reserves—oil imported from Venezuela and other countries. We have deliberately adopted policies designed to encourage this division of Canada, policies which have worked to the advantage of multinational corporations and to the disadvantage of the people of Canada.

Figures have already been placed on record in *Hansard*. Let me put a few further figures on record, because they are so revealing. The fact is that foreign control of our economy has been increasing steadily, particularly in the area of the resource industries. It has not been reduced in any sector. It has been increasing steadily year by year. Note these figures for the year 1969. They are updated from the figures in the Gray report which were based on 1968 statistics. In metal-mining 55.5 per cent is foreign-owned. The point I wish to make here is that this 55.5 per cent represents an increase from 38.5 per cent in 1965. In only four years or so, from 1965 to 1969, there was an increase amounting to about 75 per cent in the foreign control of our metal-mining industry. Control of fuels in 1969 amounted to 82.5 per cent. The figure for rubber products was 92.7 per cent—it could not increase any more. In the wood industry, the figure was 42.6 per cent, increased from 28.2 per cent in 1965.

• (1520)

Similarly, in 1969 the printing and publishing sector became 20.4 per cent foreign controlled, an increase from 11.3 per cent in 1965. In the machinery sector foreign control amounted to 73.2 per cent, transportation equipment 86.4 per cent, and in petroleum and coal a staggering 99.5 per cent. Almost all of our resources are controlled by foreign multinational corporations. In chemicals and chemical products, foreign control was 80.4 per cent and in manufacturing as a whole, 57 per cent. This was the extent to which Canadian industry in 1969 was controlled by these powerful multinational corporations.

I want to underline, in connection with these statistical facts, that the picture becomes even more frightening when you examine the situation in terms of size of these corporations to see which corporations have the real levers of control in the economy. Let us see to what extent they are Canadian controlled and to what extent they are foreign controlled.

Looking at all corporations in Canada in terms of size of assets, you find that corporations with assets of less than $1 million are only 9 per cent foreign controlled, 91 per cent being Canadian controlled. But corporations with assets from $1 million to $5 million are 29 per cent foreign controlled; corporations with assets from $5 million to $25 million are 50 per cent foreign controlled; and corporations with assets of over $25 million are 54 per cent foreign controlled. So you see that the larger the corporation, the greater its power over the economy, and the larger the proportion of foreign control in that particular sector of the industry.

As hon. members know, the picture in the extractive industries is really frightening for the future of this country. Foreign corporations in the extractive industries account for 70.6 per cent of the assets and about the same proportion of all profits. In the mineral fuels sector, foreign corporation account for 82.5 per cent of the assets and 90.7 per cent of all the profits.

The picture in the total mining industry, again in terms of asset size, shows that corporations with assets of under $1 million are only 33 per cent foreign controlled. That is high enough since it means one third of our mining corporations are foreign controlled. But when you move on to corporations with $1 million to $5 million worth of assets, the proportion of foreign control becomes 62 per cent; corporations with assets between $5 million and $25 million are 80 per cent foreign controlled; and those with assets over $25 million are 88 per cent foreign controlled.

The point that disturbs me about the position taken by the Liberal and Conservative parties is this. Last Friday the minister and also the hon. member for Trinity argued that foreign control, foreign capital and foreign investment in the past have assisted our development. I would ask, whom did it assist? Whose development has this foreign capital assisted? From the figures I have already cited, and from many other figures one can lay one's hands on, I would suggest that this foreign capital has meant foreign corporations have been assisted in exploiting our natural resources mainly for their own profit, not for the benefit of Canadians.

Some hon. Members: Oh, oh!

Mr. Lewis: The position taken by the hon. member for Trinity was that foreign capital has been useful and beneficial to Canada. Members of the Conservative party who have made interjections underline the fact that all of them believe that. They believe in that only because their concern is with the value and power of the corporations of this country and not with the value and power of the people of Canada. They are concerned with what the minister calls economic growth, without considering the consequences of that growth on present and future generations of Canadians.

The fact is that we have not needed foreign capital in this country for years. We have been selling Canada out with our own money. We have permitted foreigners to buy us out with our own dollars. In 1968, as all hon. members know, only 6 per cent of foreign capital expansion in this country was derived from parent corporations in the United States and other United States sources; 94 per cent came from Canadian sources, such as undistributed profits, from retained earnings, from various reserves, not least of which is the tax reserve that we permit these corporations to defer without interest for years on end, and from borrowing on the Canadian capital market.

I draw to the attention of hon. members, particularly Tory members in view of the comments they have made, that between 1960 and 1969 Canada had a net loss as a result of foreign investment in this country. In those 10 years, 1960 to 1969 inclusive, U.S. investments totalled in round figures about $5.5 billion. But we paid to parent corporations that invested this money in Canada, $6.25 billion by way of interest and dividends, and a further $1.75 billion in royalties and fees of all sorts. Thus we paid out to United States corporations a total of $8 billion in return for a total investment of $5.5 billion in ten years. In other words, we paid out to American corporations $2.5 billion more than we got from them in the form of direct investment.

Yet members of the Liberal and Conservative parties still claim that we need foreign investment. On behalf of the New Democratic Party I say that, except for the occasional area that may occur, we do not need foreign investment in this country. Canadian savings are sufficient to provide us with all the capital necessary to develop this country through the efforts and skills of Canadians alone. In view of this net outflow of $2.5 billion in the space of ten years, I ask the minister and the hon. member for Trinity, where in heaven's name has there been any benefit to Canada from capital investment in this country during the last ten years?

This brings me to the bill which is before the House. I agree with the minister that this bill is a great improvement over the bill which we opposed last year, which we were determined to stall and did prevent from passing. It is obvious that this bill is a response by the government to growing concern right across the country about the issue of foreign investment and control of our economy. I dare to suggest—because I know it is true—that the improvements contained in the bill before the House are also a response to the New Democratic Party's objections to last year's bill and because the government knew that if they produced last year's bill it would not get our support on second reading. The bill, instead of dealing with a minor part of the problem as the bill last year did, with merely foreign takeovers, now deals with screening of new enterprises by foreign investment, and screening also of investments by existing foreign corporations into unrelated fields.

• (1530)

Because it has extended its purview, its area and concern, we will support the bill on second reading, but I want to make very clear to the minister that even this extension cannot satisfy members of the New Democratic Party. Indeed, I appeal to him that it should not satisfy him or his colleagues in the Liberal party either. It will satisfy the Conservatives who do not really want any limit on foreign investment.

An hon. Member: No, it doesn't. Don't speak for us.

Mr. Lewis: Their main concern, as the hon. member for Trinity showed us on Friday, is to make further concessions to corporations and investors in the hope that they will be Canadian corporations rather than foreign corporations. I say to the minister that if he meant what he said at the beginning of his speech last Friday, and if the Throne Speech means what it says, he ought not to be satisfied with the bill he has presented to this parliament. There are obvious areas for extension of that bill and we intend to propose these areas to the committee when this bill reaches that stage.

I want to make this appeal to the minister. What he has presented to parliament is not a bill prohibiting certain things. He has presented parliament with a bill for screen-

ing certain areas on the basis of certain criteria, and since that is the case and since the screening agency will have the authority to make recommendations as to whether something should be allowed or disallowed, then I say to him there is no reason in the world he should not have had the courage to go beyond the three areas his bill now covers.

This bill now covers takeovers; it covers new investments and it covers screening also of the expansion by existing foreign corporations into unrelated areas. Since it is merely a screening process with power in the agency and the minister to decide whether to allow or disallow a certain thing, again I urge him that the bill should immediately be extended into the following areas.

The bill ought to cover the screening of imports of parts and components into Canada in order to make sure that those parts and components could not be produced in this country with Canadian capital and Canadian labour in order to increase the number of available jobs. There is no reason this screening agency could not look into the importation of parts and components by existing foreign corporations in this country.

The second area this bill ought to deal with is the screening of the export of raw materials in order to make certain that raw materials have sufficient processing, refining and development in this country before they are exported at the expense of Canadian jobs. I appreciate that this will require joint action by the federal and provincial governments concerned, but I urge upon the minister that this provision be put in the bill subject to the necessary consultation and provincial supplementary action.

I urge the minister that the bill should cover another area as well, and there is no reason a screening agency could not do this. I repeat, since it will not make the final decision and does not prohibit certain things, the final decision being made by the minister on recommendation of the screening agency, this bill ought immediately to provide for the screening of export agreements by and among multinational corporations in Canada in order to make certain that any restrictive covenants in them are removed, or these export arrangements should not be permitted. This, too, is emphasized by me on behalf of my party because again there are hundreds of thousands of Canadian jobs constantly being put into jeopardy by the fact that the multinational corporations have among themselves and their subsidiaries around the world arrangements which are restrictive on exports from one country, since any one country is merely another source as far as they are concerned.

Fourth, and perhaps most important of all, I see no reason why this bill should not give the screening agency authority to screen expansion of foreign corporations in Canada into related areas to those that have been occupied. In spite of the repetition, I say again that there is no reason for leaving this out of the ambit of the screening agency. There is every reason it should have that authority in order to be able to look into the books of companies to find out exactly what they are doing and to what extent they are really further buying out Canadian business or expanding their own at the expense and at the cost of Canadian people.

That is the first set of things I wanted to tell the minister and this House that we feel ought to be changed in those directions. Second, I want to tell the minister that we strongly oppose the change he has made from last year in the definition of non-Canadian corporations to satisfy Tory demands. They were the only ones who demanded it and the minister ought to have had the courage to withstand that demand. In last year's bill a non-Canadian corporation was defined as one in which foreign control is 5 per cent of the voting shares and 20 per cent of the non-voting shares. This bill provides for 25 per cent instead of 5 per cent and 40 per cent instead of 20 per cent. That is a sellout to reaction, and I tell the minister that this ought to be changed back to what it was. There is no reason he should have done this.

An hon. Member: It is a sellout to the Tories.

Mr. Lewis: Sure, it is a sellout to the Tories, and that is why I said it was a sellout to reaction.

I want to say to the minister that we are not satisfied with the provisions for proclaiming the bill. The fact that he cannot make the bill law with Royal Assent can be appreciated, because presumably time will be needed to prepare rules and regulations and he cannot do that within 24 hours. However, I object strenuously to the fact that he is going to proclaim the new areas only at some later date. There is no reason for that and the bill ought to be proclaimed in total at the same time.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his allotted time has expired. He may continue only if he is given more time by unanimous consent.

Some hon. Members: Continue.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Lewis: Fortunately, Mr. Speaker, I need only a minute or two, and I am grateful to hon. members of the House for giving me that opportunity.

Thus, there are three areas which we are going to seek to strengthen when this bill is in committee: One is additional areas of authority to the screening agency; the second is the definition of non-Canadian corporations, to bring this back to the 5 per cent and 20 per cent as in last year's bill, and the third is that the entire bill ought to be proclaimed at the same time. I simply cannot buy the minister's argument that the reason he wants more time for the proclamation of those sections of the bill dealing with new investment or expansion by existing corporations into unrelated fields is that he wants to have some experience. I think that is what he said was the reason for it. I cannot buy that. I am not sure that experience in one area would be of value to him in another. He had better start getting the experience right away in all areas. I am sure he needs it as I need it. The only way he will do a job is, to proclaim all the bill at the same time instead of this kind of pussyfooting. Because I cannot buy this argument, I have an ingrown suspicion that the reason for the delay on that part of the bill is that the government is not serious about it. I want to tell the minister that if he is to

convince us he is fully serious about action in the field of foreign investment he had better change his requirement about the time in respect of the proclamation. There is no excuse for dividing up the bill in the way he suggests.

• (1540)

I did not hear the interjection by the hon. member for Trinity, but in this connection I want to say that his objections and the objections of the Conservative party are that the bill represents another "don't do"—I think his words were "don't do"—among the cures that we have. Let me say on behalf of my party that we have had the development which we have had, that we have reached the dangerous situation we have reached, precisely because Canada has been the only country in the world which has permitted foreign investment without rule, without regulation, without limits and without concern for the future of this country. The time is long overdue—I say this without any hesitation—for this country to impose limits on and conditions for continuing foreign investment in Canada. Unless there are limits and unless conditions are there and are sternly applied, we will continue to have an expansion of foreign investment. The private entrepreneurs that hon. members in this House talked about last Friday will be entrepreneurs as long as it pays them better to do it at the expense of the Canadian people through certain tax concessions than it pays them to sell out to some United States, Japanese or West German concern.

One of the two ways to guarantee that foreign investment can be limited in this country and that its expansion can be stopped is by imposing limits and conditions. Because this bill gives the government an opportunity to impose conditions, we will vote for it on second reading subject to our attempts to strengthen it in committee. But, Mr. Speaker, we will eventually—and if we in the New Democratic Party had the opportunity eventually would not be very long hence—have to repatriate Canada's economy. It is not sufficient merely to limit further expansion. The time has come for Canada to take steps to repatriate control of its economy and make sure not only that further expansion is Canadian but that a large part of that business now in foreign hands becomes Canadian.

Mr. Hellyer: That is the Conservative philosophy.

Mr. Lewis: That is the Conservative philosophy through the measures the hon. member for Trinity suggested Friday, which consist of further concessions to the corporations and to the investors. My suggestions are entirely different in principle.

First, we have in Canada now between $5 billion and $6 billion in foreign exchange reserves. I urge on behalf of the New Democratic Party that the government use a large part of those foreign exchange reserves to buy into the resource industries of this country and make them Canadian through public participation in those industries. Second, I say that the time is long overdue for us to withdraw the present tax give-aways in our tax system which are made use of particularly by the resource industries to the disadvantage of our economic development. This would help a great deal in stopping the rape of Canada's resources. Third, I urge that the government consider imposing export taxes on the export of raw materials and energy resources so that we may have a pool of money to assist the people who are affected by those exports. We could make much more money available directly to the people of Alberta rather than permitting the multinational corporations to increase their prices so that they receive 15/16's of the added price and the government of Alberta receives only 1/16 of that additional price.

Fourth, we urge that this country must take steps to rationalize and specialize our manufacturing industry because the branch plant manufacturing will eventually destroy Canada's place in the international markets in that area. It has not yet, and there is still time if there is direct government intervention to rationalize our manufacturing industry and insist that it specialize in producing those things which Canada can produce best at least cost. Finally, I repeat what I said on May 29 last year that what would really assist in this problem of foreign investment is if the Canada Development Corporation were entirely revamped and made an entirely new organization. If it were publicly controlled and publicly managed with a massive fund obtained by a law requiring that a certain proportion of the investment capital from public as well as private corporations be invested in the CDC, then we could do a number of things. We could use the CDC to invest in new industries as well as to buy into existing foreign corporations. Above all, we could make the CDC a source of investment capital for the provinces which need it because the provinces are constantly concerned about the fact that their development within their borders cannot be made without capital and there is no source of such capital in Canada. The Canada Development Corporation, properly organized, could provide such a source.

In conclusion, Mr. Speaker, I say to hon. members of this House that in my travels across this country I have been persuaded that large numbers of Canadians have become very concerned about the extent of foreign control of our economy, about the extent of foreign influence in our cultural development and about the need to give Canada funds to build in this part of North America a distinct society. This is not being anti-American. I merely say that the Canadian people are capable of building a society distinct from the American society and I would hope a society which is much fairer, much more decent and much more human than some events to the south of us in the last number of years would lead us to believe is the case there.

[*Translation*]

Mr. J.-J. Blais (Nipissing): Mr. Speaker, before undertaking the preparation of the speech I intend to deliver—

• (1550)

[*English*]

Mr. Deputy Speaker: It is customary to recognize the spokesmen for each party for the first round. I did not see the gentleman on the far right rising. Perhaps he wished to take part. So, I would ask the indulgence of the hon. member for Nipissing (Mr. Blais) and I would recognize the hon. member for Roberval (Mr. Gauthier) at this time.

Foreign Investment Review

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, on a point of order.

The hon. member who was to speak this afternoon on behalf of our party has not yet arrived; he has missed his train and I would like his turn to be reserved. He will certainly speak tonight.

[*English*]

Mr. Deputy Speaker: I thank the hon. member for Roberval. The hon. member for Nipissing has the floor.

[*Translation*]

Mr. Blais: As I said, Mr. Speaker, before preparing the speech I intend to deliver and in view of the importance of this subject, I saw fit to inquire from my constituents so as to know their position with regard to the bill before us.

It is my pleasure to inform the House that the results have been more positive than I had hoped for. I have received only one negative reply and I consider it negative since it is supporting the statu quo.

Indeed the majority of the replies I received either approved the bill without any reserve or approved it by requesting stricter controls or the adoption of a completely new bill.

It is therefore obvious that Canadians know we must protect our heritage and independence.

[*English*]

It is indeed the latter concept which seems to preoccupy my constituents, and I can appreciate their concern. We have dealt since the beginning of this parliament with a number of worthwhile projects and measures of considerable social import. The two main documents which have been the vehicle of this government's policy have been the budget speech and the Throne Speech. Both documents did indeed contain legislative proposals which received plaudits for their progressive social measures. We had bills increasing old age security payments and amendments to the War Veterans Allowance Act, amendments to the National Housing Act, amendments to the Unemployment Insurance Act, tax reductions, increased exemptions available to lower income groups, and many other measures which are an expression of the concern of Canadians for social justice.

No one in the House, indeed no one in Canada, would dispute that Canada is a leader in providing for the material security of its citizens. The same can be said for Canadian laws relating to and affecting the rights and freedom of individuals in Canada. The Canadians' equality before the law, their right of access to judicial administrative and political redress are ensured. However, it would appear that Canadians, having achieved in considerable part the goals that they have set for themselves relating to material and personal security, those achievements may now be made vulnerable to the financial and industrial decisions made in the corporate boudoir outside our national boundaries, corporate decisions made beyond our control in foreign capitals and predominantly in the United States. That indeed is a justifiable concern and it should be stressed, as, I am sure, most speakers participating in this debate will stress.

Canada has been very fortunate to have been able to foster an economy which has provided the material advantages that are ours, an economy able to provide social justice and indeed justice in all its aspects. However, having achieved these goals, Canadians are now concerned that perhaps the freedom they have secured for themselves may be curtailed by an increase in economic competition, competition for investment capital, for sophisticated technology, for consumer markets, for energy supplies and for raw materials. It is becoming more evident that this parliament and all its committees are dealing with subjects of considerable import. Perhaps it is just the fact that I am new in the House, but I feel very strongly that not only is United States presence felt in the matter of foreign control but it is felt in the matter of the development of our whole economy, the direction that we are going to take so far as our cultural and political evolution is concerned.

It becomes evident that the United States is facing and will be facing in the next two decades a considerable economic upheaval. It is facing shortages in energy; it has difficulties with population control, and it has difficulties with its whole constitutional system. Indeed, it will have difficulty in repatriating the massive amount of capital the export of which its policies since the turn of the century have encouraged, the export of billions and trillions of American dollars that are now invested in economies that are not the American economy. Evidently, legislation is presently before the congress to limit the future export of capital and encourage the repatriation of huge amounts of American capital.

It is in that context that I think this bill is timely. I hope that the government will find that this bill is but one of the bills to be enacted which will have as its goal the control of Canadian investment and the protection of national interests. This bill contains provisions whereby the government, through the minister in charge of the administration of this legislation, will be able to negotiate the terms of investment in Canada. This negotiation will, of course, depend on the support that is to be afforded to the minister by the Canadian public. It is, therefore, essential that the public be informed of all the perils that Canada is facing with reference to its economy and the perpetuation of Canadian control over the destiny of Canadians.

The provisions of this bill have been set out by the minister and in the speeches of the hon. member for Trinity (Mr. Hellyer) and the hon. member for York South (Mr. Lewis). Central to the bill is the question that the minister, in this instance the Minister of Industry, Trade and Commerce (Mr. Gillespie), will initially have to make the decision with reference to whether to allow the takeover or a new investment. The minister will be assisted by an agency in performing this task.

Initially, when I intended to take part in the debate on this bill, I was under the impression that the minister was to be assisted by a quasi-judicial commission. At that time, it was of some interest to me to ensure that that particular commission have adequate representation from my area and from other not so favoured areas of Canada. Now, I see that because the legislation foresees a ministerial decision there can be an input from members of the House regarding these decisions, and although it is

not official at least it may perhaps be persuasive in the stage between the notification by the foreign investor and the eventual decision by the minister. The agency itself is but an advisory agency and that is as it should be.

• (1600)

It might also be pointed out to the hon. member for York South, who indicated that he would like to see a provision whereby Canadians would be encouraged to buy back those industries and concerns that have been taken over by Americans, that it is the intention of some of the provisions in this bill that that be done. Indeed, the bill's provisions apply in the event of a foreign investor attempting to take over a Canadian company, even though that company may already be owned by foreign interests. The foreign investor has to give notice under the legislation, so that a review of his intentions can be carried out. May I suggest that in this way an opportunity would be provided to determine if the takeover, by a foreign investor of a foreign-owned Canadian concern, would be in the best interests of Canadians.

The bill further provides for a review agency, with ministerial discretion, to consider the establishment of new businesses by non-residents, or of Canadian corporations controlled by non-residents, but it does not include review of expansionary investment in a business already carried on in Canada, by an investor, notwithstanding the fact that he is a non-resident. I thoroughly agree with that particular provision, because we have already experienced how sensitive capital investment is to radical legislation. I recall that during the Quebec crisis of 1970-71 there was a flight of capital from Quebec, and it was correctly analysed at the time as being the direct result of unsettled economic conditions in that province, and of the threat of political upheaval. If radical measures were taken now, the same result might well follow throughout Canada.

[*Translation*]

It is essential to point out that the bill before us does not try to prohibit foreign investments nor the purchase of a Canadian enterprise by foreign interests.

In fact the question is to examine the intentions of the investor who would try to take advantage of a favourable financial climate in Canada and to study, through an agency, the advantages of investments under non-Canadian control.

This examination would not be made in a vacuum but in the light of five basic principles which, in my opinion, would be guidelines to the minister responsible for it.

Mr. Speaker, I would like to explain simply the effect of these five criteria. First, the question of the effect of the acquisition or establishment on the level and nature of economic activity in Canada, including employment.

It is obvious that the minister must make sure that investments favour the industrial development policy in Canada. Secondly, the degree and significance of participation by Canadians in the business enterprise must be dealt with. It means therefore that through investments Canadians will be called upon to participate more actively in the proposed industrial development through acquisition or investment. Third, the minister must also consider the effect of the acquisition or establishment on productivity, industrial efficiency, technological development, product innovation and product variety in Canada.

Mr. Speaker, some Canadians want us increasingly to develop our own technology in Canada. With the help of this technology we could develop goods for use in a typically Canadian context, that we could make in accordance with our own traditions, our own imagination and our own initiative, for the general benefit not just of Canada, but of other countries too.

Mr. Speaker, the member for York South (Mr. Lewis) spoke just now of Canadian participation, of the question of industrialization, of the rationalizing of industry and of specialization in certain areas of manufacturing. I am delighted to see the member for York South adopting a policy which is basically the Liberal philosophy, namely industrial specialization in Canada. He did so, and I congratulate him for it. I note that clause 2(2)(*c*) of the bill deals directly with developing such specialization by encouraging development of technology in Canada.

The fourth criterion is the effect that buying or founding will have on competition in one or more industries in Canada. I need say no more about that, because it goes without saying. The fifth question is that of the compatibility of buying or founding with national policy in the industrial and economic fields, bearing in mind the aims of the economic and industrial policies put forward by some provincial authorities.

And so this is a new concept, Mr. Speaker. It is one by which the federal government, seeing the need for investment and for investment control, also sees that there is economic inequality in Canada, and therefore realizes that it must make sure that the industrial interests of the provincial governments are protected and that the latter are consulted at every stage. All that amounts to helping the minister decide, taking all the factors into account, whether investment is or is not likely to be of significant benefit to Canada.

[*English*]

Thus, Mr. Speaker, we are speaking of significant benefit to Canada. Those are the key words, and to my mind they ought to be interpreted as synonymous with the national interest. I will go even further. I will suggest that this bill is fundamental to the whole political philosophy of the Liberal party, because in those criteria that have been announced—

An hon. Member: Boy oh boy, what a lousy philosophy!

Mr. Blais: Mr. Speaker, nothwithstanding the narrowness of view indicated by the comment from across the chamber, this legislation, as indicated by the particular formulation of the words used in it, is fundamental to that political philosophy. Full employment is indeed encouraged. Canadian control of the economy is also encouraged. The development of Canadian technology is encouraged. Regional development and the removal of regional disparities are encouraged. Those four factors represent the backbone of the government's policy. They are being written into law, and it is to encourage the realization of these aims that this bill is being represented at this time.

Further, Mr. Speaker, the final decision is to be a political one. It will not be buried in the dark rooms of officialdom, subject to the decisions of deputy ministers, assistant deputy ministers, and third assistant deputy ministers. The decisions will be determined in the political arena, and in making a decision in that way a minister makes himself politically liable. The decisions made in this sphere will receive more and more publicity, and all this as a result of the interest of Canadians as a whole in economic nationalism and in preserving control over their economic destiny. I welcome the fact that takeovers will be the subject of political review, and I am sure that this legislation will help us preserve Canadian control over our own development. There are some advantages that flow from this legislation, and I disagree with my colleague for York South—

• (1610)

An hon. Member: I am sorry, but he is not your colleague.

Mr. Blais: Mr. Speaker, I wish that interventions from hon. members were a bit louder, so that I might know their import. It appears that the collection of information that is to flow from the investigations will be most advantageous to the future development of this government's policies in the field of economic nationalism.

The theory of the "corporate veil" has been and still is dominant in corporate law in Canada. That theory, indeed, has worked to considerable disadvantage in the fields of Canadian knowledge and information. These relate to economic decisions that are made in Canada and affect Canada's destiny. I hope that the regulations to be drafted, which cover the necessity of disclosure by foreign controlled companies and foreign investors seeking to purchase Canadian companies, will be most elaborate and permit a complete review of the circumstances in question. I feel this is important, as we will need to make decisions for some time to come on the desirability of any given investment. The more information we can gather, the better the situation will be.

One concept is not included in this bill, and I should like to see it included, if not in this bill then in some other forthcoming piece of legislation. I am referring to the use of the CDC. The hon. member for York South indicated that he wanted to change the whole structure of the CDC. It is all very well for him to suggest a complete change. Sudden or radical changes may be very well to advocate, but those who have the responsibility of governing cannot always advocate such changes. If I may speak for the record, let me suggest that the CDC could be employed in this particular process with respect to which we are now legislating. It could be used in the creation of an adversary system in this field.

Our deliberations in this House are based on an adversary system, and I submit that we should employ that system in the process that we are now contemplating. I am suggesting the involvement of Canada Development Corporation because I firmly believe that that corporation will in time evolve as our main agent in securing Canadian control over commercial enterprises. I might suggest, further, that the use of that organization at this time with respect to the process being devised would be premature.

In future there will be ample time to review, discuss and debate the suggestion I am making.

Under the adversary system, Canada Development Corporation could be given notice of the intention of a foreign investor to invest in Canada. At that stage, Canada Development Corporation would have a chance of reviewing the company which is subject of the proposed takeover and it could see if perhaps it could not make an offer to the minister with respect to the takeover of that particular company. I truly believe that in many instances in the past foreign takeovers were forced upon companies as a result of their not having sufficient capital to solidify or consolidate their position, or to expand. I am sure that if CDC were involved, it could intervene in the transaction. It would have the ability to invest in the company sought to be taken over by the foreign concern, the result being that that particular company would stay in Canadian hands. The same reasoning would apply to the creation of new businesses, Mr. Speaker.

We are in the present situation because there has been an absence of information available to Canadians regarding the effects of the potential investment. I feel that as a result of the information in this field that is to be made available to us by virtue of the passage of this legislation, Canadians will be better able to determine where their money should go and what is proper investment. Indeed, the Canada Development Corporation would be the instrument for carrying out the will of the people, because it could invest with a full knowledge of the areas in which investments ought to be made.

I am pleased to have been able to participate in the debate on this long awaited piece of legislation. I feel that, to be effective, it will require public support, and public awareness. There must be public recognition of the importance of each decision taken under the provisions of this legislation. Inevitably, because of the wide scope of its terms, each decision will be precedent setting. Of necessity, I believe Canadians should follow the whole process, so that by their participation and by their reaction, the government may know where the people think we should go. The exercise of the ministerial discretion will, of course, be governed by what is the national interest and the public good. Only an aware public, recognizing the difficulties with which the minister is faced, will be able to advise the minister on the propriety of any decision.

Mr. Ian Arrol (York East): Mr. Speaker, Canada up to recent times has been a juvenile giant unable to stand on its own feet. It was spoon fed first by Britain—there was no spoon feeding from France—and then by the United States. In our infancy we were fed from Britain, nourished by her money and technology. When we became older we left mother for a more interesting and swinging personality from whom to receive, a personality just across the way, Uncle Sam. Besides giving us money, Uncle Sam did most of our thinking for us.

Uncle Sam developed such ideas for us to copy as the factory assembly line, the use of the computer, cost accounting, data processing, and new packaging and marketing methods. It was Uncle Sam's money that was used for research, so that even without an idea in our heads we could have money in our pockets. Uncle Sam built our early libraries and stocked them with books and educated

our university graduates with grants from the Rockefeller, Carnegie, Ford and Fullbright foundations. In fact, in our relationship with the United States, we received everything but pride in ourselves. However, the times are changing. Canada is no longer just a fat copycat. Canada is developing a unique way of life. Canada is becoming the place to talk about.

• (1620)

For many observers, Canada is the centre of sophistication. To speak only briefly, and of the province in which I live, there is the Ontario Science Centre, the new Toronto City Hall, Ontario Place, the Shaw Theatre in Niagara-on-the-Lake as well as the Shakespeare Festival at Stratford, Ontario, the unique outdoor zoo that is being created in Scarborough and so on. There are the television centres of Toronto where artists flock from the United States to make their shows. There is the Ontario Educational TV channel which recently sold to the NBC in the United States more than $2 million worth of educational productions which are regarded by NBC as among the best educational ones in the world.

Further, in the field of entertainment, the whole world is singing our songs, be it Gene McClelland's "Put Your Hand in the Hand of the Man from Galilee" or the songs of Canada by Gordon Lightfoot, Joni Mitchell or a score of others. In Canada there is new energy, imagination and ideas, new writers whose books are appearing throughout the world and new film makers whose movies are applauded by the sophisticated film critics of the world. This cultural flowering, this developing Canadian style, can only be sustained if there are continuing initiatives in the business field. Culture grows out of national prosperity. Culture grows out of money.

We find that not only in the world today do we have a cultural flowering and not only do we have industrial development in our own terms, but in the industrial field, we have multinational development. Until 1946, Canadian Pacific was only 9 per cent Canadian controlled by its shares. In 1973, it is 60 per cent Canadian owned. Canadian Pacific is spreading throughout the world. It is a multinational company with offshore oil rigs in the Mediterranean, a tin mine in Australia, mineral exploration in Greenland and in South Africa, a Canadian Pacific trucking fleet in Great Britain and hotel projects in Israel, Mexico and Portugal. Canadian Pacific has foreign investments which, in just the past few months, have run into tens of millions of dollars. At home, CP has a 53 per cent ownership of Cominco Limited, a major producer of lead, zinc, silver and chemical fertilizer. CP has a 51 per cent interest in Great Lakes Paper Company.

I find it strange that when a member of the Progressive Conservative party proposed initiatives that should be adopted for greater business prosperity in order to provide for our own development and personality, the hon. member for York South (Mr. Lewis) criticized the hon. member for Trinity (Mr. Hellyer). When the hon. member for Trinity stated his ideas on initiatives that should be taken in Canada by the government in order to have the kind of stimulation that is needed for Canada to maintain its present prosperity, let alone going to greater prosperity, the hon. member for York South referred to greater tax concessions. He referred to stimulations as being everything to build Canadian entrepreneurship at the expense of the Canadian people.

The hon. member for York South quoted from his particular selection of statistics to show how bad the situation is at present. It is true that if we look at corporate taxation as compared with taxation of individuals, according to the figures of the Canadian Tax Foundation, whereas corporations paid as a percentage of direct taxes 28 per cent in 1950, in 1973 they are expected to be contributing only 12.2 per cent. The hon. member for York South utterly ignored the fact that, although in 1950 the individual paid 26.7 per cent of direct taxes and in 1973 he is expected to pay 50 per cent of direct taxes, the income of individuals has increased 700 per cent since 1950. The income of individuals for 1972 is expected to amount to $50 billion. The income of corporations for 1972 is expected to be $7 billion, an increase of 300 per cent over 1950. He ignored the fact that the number of taxpayers in 1950 was 2.4 million and in 1972, 8 million. He ignored the fact that this increase in the number of taxpayers came about as a result of the increased prosperity brought about by business. This made it possible for individuals en masse to have 700 per cent increase in income since 1950 for a total of $50 billion.

I wonder what my friends to the left think happens if there should be a $2 million profit for a company after it has paid all its taxes. I know what they would propose. They would propose that this profit be immediately taxed and sent to the government. However, this $2 million is either invested, which provides for further jobs and which in turn provides for further increases in income tax, or it is sent to shareholders as dividends. These shareholders must pay income tax on the amount they receive. The income tax is probably close to 50 per cent. Also, the shareholders may decide to reinvest this money.

I have more faith in income in corporations being spent by the corporations instead of being shoveled over to the government and spent by the bureaucrats. The most successful countries industrially in the world today, Japan and Germany, have arrangements whereby the government has a very low corporate income tax. As an example, at the present time there is a higher corporate income tax in Canada and the United States than in Sweden, which is supposed to be the place for social democracy. In Russia, all profits go to the state. The result is that they had to bring in the Fiat Motor Company of Italy to show them how to manufacture cars, the Japanese to show them how to drill for oil and process it and the Hilton company to show them how to build hotels where the elevators do not creak.

In Canada, we must have a continuing encouragement for initiative, not a discouragement of those who would invest from outside the country. If we are going to put on those types of restrictions, then we in Canada will find it difficult for our investments outside the country. We can only exist in this world in a prosperous way if we have the initiative to have multinational companies. With our achievements so far, we are merely on the threshold of unique achievement. The threshold is slippery. We will fail in the highly competitive world of today and tomorrow unless we lay the foundation for continuing productive Canadian initiatives.

With the kind of projects it is encouraging today for those who will be the business leaders of tomorrow, those who will make or break Canada's future our youth, the government, with merely the measures of Bill C-132, will only scratch the surface of a solution to the economic problems of Canada. It will add to the bureaucracy and uncertainty in the economic field. As the hon. member for Trinity stated, it will be basically negative in its approach. Unless it seizes initiatives as alternatives for the basic necessities for Canada's growth, it will not be the basis for independent survival, let alone a possible great future for Canada.

• (1630)

The kind of productive initiatives needed are those described by Mr. Gary Price, President of the Student Enterprises and Assistance League of Toronto. Mr. Price says:

> We feel that Canada's most valuable natural resource is not its oil, minerals or fresh water, but its youth, and the segment of this resource most vital to our country's economic growth, the young Canadian entrepreneurs, have never been given the opportunity to live up to its full potential. Young people with creative drive are today usually found operating government-sponsored projects since it is common knowledge that these are the easiest source of capital available to youth who wish to "do their own thing". The obvious danger of this policy is that we run the risk of producing an abundance of artists, social workers, survey-takers etc. without sufficient businessmen to sustain them. As we see it, the alternatives open to the two major sources of capital in Canada, government and corporations are either to assist more young people to become productive and self-supporting or to suffer the consequences in rising welfare costs and social unrest in the future.

Projects of the kind Mr. Price and his associates in the organization known as SEAL have in mind for 1973 should increasingly be attracting attention and action in this House. This is the philosophy which will guide the SEAL entrepreneurial program for 1973:

> Priority will be given to supporting small business ideas which have the potential to become on-going. We will attempt to start these small businesses with a minimum of seed capital and after the initial start-up period operate them on a profit-sharing basis. Any small business that cannot become self-sustaining after a reasonable start-up period will be discontinued. Any employees who are not meeting performance levels will be dismissed. We have found that young people working on profit-sharing ventures do not tolerate slackers; once a crew is paid commensurate to its performance those who do not shoulder their fair work load are quickly weeded out by their fellow workers.
>
> All profit generating businesses will set aside a pre-determined percentage of weekly revenues to replay initial capital requirements.

There are other voices offering guidance as to what the government should be doing in providing incentives to youth and laying a foundation for the Canada of tomorrow. Prominent among them is Mr. John Bulloch, President of the Canadian Federation of Independent Business who had this to say concerning the ideas he has for New Ventures in an article he wrote for the Toronto *Star* of August 10, 1972:

> The over-riding philosophy would not be to "make work" or engender a false sense of productivity. It would be to create new enterprise that aims at becoming permanent and perhaps financially independent; a dues-paying member of the community performing necessary services, creating jobs and contributing new technology. This program would rely heavily on the private sector for know-how and financial support.

[Mr. Arrol.]

Mr. Bulloch notes that as the basis of his recent thesis, "Can Canada achieve economic independence?", Professor George Sinclair of the University of Toronto, establishes that innovation, new products and jobs stem from small companies and inventive individuals. A national policy to encourage such activity is, therefore, a logical step toward achieving economic autonomy. Mr. Bulloch tells us:

> . . . the motivation of those who wish to create and innovate is not primarily profit, as is commonly supposed; it is the desire to build, to do something better than someone else, to create something new and useful.
>
> It is small businesses which are the source of most of the innovation and engineering advances that change and build our society.
>
> New Ventures takes direct aim at one of the real mistakes in our society—the fact that millions of Canadians, old, young, employed and unemployed possess unique energies and skills which presently benefit neither society nor themselves.

As circumstances have developed, Mr. Bulloch says:

> Youth becomes disillusioned, the able-bodied opt out for unemployment and welfare subsidies. Pride in performance becomes a memory.

Mr. Bulloch labels his ideas "New Ventures, Canada". New Ventures, he explains, would work this way:

> Young professionals would be brought together to provide free services in such areas as law, accountancy, engineering and marketing, while low-cost space, in an old warehouse, perhaps, would be provided for anyone who wished to start a new venture.
>
> Such office services as typing, duplicating and book-keeping would be available from the New Venture pool and lists of high-risk capitalists willing to invest in likely-looking new enterprises would be compiled.

The whole of Canada would be involved in this enterprise. Those who today wish to "create for Canada" so that they can have pride not only in their own efforts but pride in the country which is developing freely, will be such as accountants, lawyers and engineers who would give their services without charge so as to ensure a nucleus of healthy business practices. As each successful venture reached self-sufficiency, it would be replaced by new consultants.

I am sure the provinces would co-operate with the federal government in encouraging organizations whose objective is to educate for positive, contributing citizenship. I am sure the provinces would wish to get together with the federal government to find alternatives to the expensive "formal education for all" concept which is tending to bankrupt the country. The idea of formal education for all is one which must be replaced. Formal education for all, in an abstract sense, isolated from what should be the mood of a developing country, is a highly over-rated concept. Because, today, everyone must stay in school, teachers entertain when they cannot explain, using films, records and "do-your-own-thing". In response to the resulting din and confusion, new educational philosophies are developed to justify and sanction the chaos. When most students fail, their marks are raised and new courses are invented or slapped together in the hope that something will seem to have been accomplished.

Good citizenship is learnt, primarily, in a student's home and community, from friends and from people he admires. It is learnt there or not at all. Forcing an unhappy student to sit inside the formal walls of school for six

hours a day, at a total cost to the nation of billions of dollars—$2 billion a year in the province of Ontario alone—instead of initiative productive enterprises in which learning can take place in the spirit of a new Canada, has probably done more than anything else to make poor citizens. It has probably done more than anything else to undermine the spirit of initiative which should characterize our great nation.

In addition, then, to seeking other alternatives, we should look for new ways in which to channel the energies of the youth of today so that these energies do not become corroded by frustration or ebb away in bitterness or utter resignation. This is an even more urgent issue than fears which have been expressed concerning an American takeover: emphasis must be directed mainly not to temporary, make-work projects, as is now the case, but to "take-off" programs, initiatives supported by the government in the hope that the enterprises assisted in this way can become self-sustaining and generators of jobs and services on their own. Canadian prosperity must be based on the development of this country's human resources. Canada can no longer be regarded as a country of untold riches whose resources can be tapped or dug into—as one would go to a bank when money was needed. The deposits are running low. The foundation of Canada's prosperity can no longer be a policy of resource depletion. Assessments have shown that Australia possesses natural resources in similar measure to our own. Brazil has more than Australia and Canada combined, and Siberia has more than all three.

• (1640)

We live in an insecure economic world where the only security lies in the development of human resources. Bill C-132 is an attempt to bring about a bettter Canada by encouraging Canadians to maintain control over their own economic destiny. This is an approach that this bill is supporting. What the House should pay heed to is the tremendous necessity for a massive change in policy that is needed to enable Canada to develop a prosperous future.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I must first explain this delay in taking the floor, which I was not expected to do. One of my colleagues was supposed to deal with this matter, but as transportation means are not always most efficient in the province of Quebec, unexpected inconveniences frequently occur.

Yet I am very pleased to be able to say a few words about Bill C-132, an Act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons.

Mr. Speaker, after listening to the Minister of Industry, Trade and Commerce (Mr. Gillespie) introduce the motion for second reading of Bill C-132, I asked myself some questions. I wondered, for instance, what benefit the passage of such a bill, designed to provide for the review and assessment of acquisitions of control of Canadian business enterprises, would bring to the Canadian economy?

For 11 years I have been a member of parliament and I have heard in this House that we simply must do something to encourage Canadian businessmen or industrialists in order to protect them against the American giant and against all sorts of foreign control over the Canadian economy. Are we likely to find in Bill C-132 a real answer to the questions all Canadians are asking themselves? I say no, Mr. Speaker, and I refer to the words of the minister himself when he said, and I quote:

I do not expect this bill to change the situation in our country overnight.

Of course a bill that proposes only a review, a study, an appraisal of the foreign takeover of our Canadian industries cannot ensure concrete and immediate action likely to solve this problem so familiar to all Canadians namely that for a hundred years all our governments have been selling our economy to foreigners, retaining only a modicum of administration for the Canadian people. I say that this is another smoke screen to hide their shame and leave Canadians hoping, until the next election at least, and that it is the characteristic attitude of a government whose only motivation is the next election.

To prove that fear is the beginning of wisdom, I have taken a note of a statement by the hon. minister at the beginning of his speech—statement which is full of truth—and I quote:

... the Canadian future is not something that just happens. Our future does not need to be merely a response to external factors, however important they may be.

At that moment, some hon. members said:

Hear, hear!

Yes, Mr. Speaker, "Hear, hear!" But it is not new. Many other ministers and hon. members uttered these words well before the present minister. If civil servants suggested these words to him, I should advise them to modernize their literature.

Further, the hon. minister also started that we had to examine what exists in fact, namely the foreign takeover of our Canadian industries.

I invite the hon. minister to go further in his research, because we should have gone beyond the stage of studies in this area. In fact, everybody knows that 80 per cent of our mines are owned by foreigners, as well as 90 per cent of our oil and 60 per cent of our manufactures. Both the minister and Canadians know it. The hon. minister recognizes all this but he foregets to say why it happened.

Why do Americans buy our Canadian industries by the dozen?

As a matter of fact, one has the impression that, when a manufacturing of marketing industry seems to be flourishing, the two levels of government, one after the other, are always on its tracks and so persistently bombard it with taxes of all kinds that comes a day when it cannot survive and is forced to have recourse to financial companies. And then comes the first threat because the banks are never there to grant assistance to those industries and refuse further credit. It is then that our industrialists, in despair and in order not to loose everything fall into the hands of the first bidder; and, as it happens that first bidder is always an American. And the most tragic aspect of it all is that the American industrialist will buy that

Canadian industry with the same credits that had been refused the Canadians owner, that is to say the very same Canadian bank which refused the necessary financing to the Canadian industrialist will offer double the amount to an American who will become the new owner with disbursing more than 10 per cent of his asset.

• (1650)

I have concrete examples, Mr. Speaker, of the problem I just spoke about and this is why I am very surprised not to hear about that way of doing things from our banking institutions. However, the minister knows quite well that our banks favour foreigners a lot more than they do Canadians.

I have in mind an actual case of one of my friends who had an investment of over $1 million and who only needed $250,000 to avoid bankruptcy. No bank wanted to finance him, so he had two choices—bankruptcy or selling out to American interests. He chose the latter. Two days after the new American owner went to the same bank which had said it did not have the available money for the Canadian owner and received $400,000 on the same collaterals.

That is the major cause of many business and industrial bankruptcies in Canada, the major cause of the transfer of our secondary and tertiary industries to foreign hands. I wonder when the minister will finally act and stop making studies whose results are already known to everybody.

The minister says that he will provide an incentive for Canadians to invest in their own industries. As a matter of fact we already have the 20 per cent tax reduction on the first $50,000 of income of Canadian companies, but we will need more. This government will have to consider further participating in the promotion of mixed industry.

Obviously, we cannot recognize the socialist doctrine of the New Democratic Party whose only solution to the control of our economy is nationalization of our industries.

We are more democratic than they, and we do not want to do without the excellent asset that private enterprise, private initiative represents. We realize that it has performed miracles in the last centuries. We claim that today, because of the advent of the machine, electronics and all the scientific discoveries, the state must help the new large corporations develop themselves without dehumanizing society. If Canadians really want to own their economy, they will have to increase their participation.

Mr. Speaker, by participation I mean that of the employer as well as that of the employee. To my mind, the salvation and the recovery of our industries still depend on that participation; it is essentiel today because the businesses or industries whose owners have encouraged the participation of their staff or who simply gave their employees shares in the undertaking, are flourishing today. There are no strikes in those industries; the employees are interested and, of course, the owners make less income. Although they may get only 50 per cent of the income, they enjoy 90 per cent more security and obtain 90 per cent more services.

[Mr. Gauthier (Roberval).]

This is why I say that the secret of Canadian success would be to accelerate that participation through implementation of legislation favouring the investment of working capital in our industries. I think that by encouraging labour-management participation the minister would be taking a great step toward the control of our industries.

Some people tell us that we are against foreign investment in Canada, which is incorrect. In fact, we approve of it provided it is profitable to Canadians rather than simply providing white nigger jobs for French Canadians and letting the bigger revenues go to foreign countries while leaving us the crumbs.

That is not what we want. Everyone's participation is invited and we welcome foreign capital but here again, to the extent possible, the government should adopt legislation to control the inflow of foreign capital. This would entail payments of royalties instead of accepting this capital as if it were a favour.

In my opinion, we are doing foreigners a favour by allowing them to invest in Canada. Investors ought to pay their share of royalties. Then and then only shall we begin not to reject foreign capital but to welcome it as long as we obtain appropriate returns from it.

That is why I was pleased to hear the minister announce support for Canadian industries and grants necessary for their expansion.

The second issue raised by the minister is that Canada should derive maximum benefits from foreign capital.

That is our wish and you can be assured that on certain points we will give our support to the minister.

[*English*]

MOTION TO ADJOURN UNDER STANDING ORDER 26

COMMUNICATIONS

BELL CANADA RATE INCREASES

Mr. Speaker: Order, please. Before moving on to the next order of business, perhaps I should refer to the matter raised earlier today when the hon. member for York South (Mr. Lewis) proposed the adjournment of the House under Standing Order 26 to discuss an order of the Canadian Transport Commission.

Hon. members agreed with my suggestion that the Chair be given additional time to consider the proposed motion. When it came before the House, I expressed reservations about the adequacy of the debate on an adjournment motion to consider this important issue. At the same time I recognized that the motion deals with a suggestion that is national in scope and of urgent importance.

After much thought I can say that the apparent urgency of the matter, the fact that it is of national interest and concern and, a factor which is even more material, the fact that there does not appear to be an early opportunity for debate would suggest that it would be the general consensus of the House that the Chair should accept the

motion. This is essentially a borderline case, and, since I can see no reasonably early opportunity for the House to debate the issue, I feel that the hon. member should be given the benefit of the doubt. While it may be that a more appropriate vehicle should be available to members for the purpose of a debate on this issue, I would have to rule that, on balance, the motion ought to be accepted.

Does the hon. member have leave to propose his motion?

Some hon. Members: Agreed.

Mr. Speaker: According to the Standing Order, the motion will be put and the debate will take place at eight o'clock this evening.

Before going to the next matter of business I would urge representatives of the different parties, perhaps the House leaders or the party whips, to confer before eight o'clock in an effort to agree on an adjournment hour. My experience, and I am sure the experience of all members, has been that a debate which does not have a closing hour tends to drag on and its best speeches are not necessarily those that are made at one o'clock in the morning. From my experience, and I suggest this with all sincerity to hon. members, I think perhaps we would have a better debate if it were kept relatively brief with shorter speeches. Hon. members may want to consider the advisability of agreeing that the motion to adjourn be passed sometime around ten o'clock, ten thirty o'clock or eleven o'clock, depending upon the arrangement which can be made between hon. members.

• (1700)

Mr. Cafik: Mr. Speaker, on question of order, under these circumstances what would normally happen to the late show or will that be decided at that particular time?

Mr. Speaker: What the hon. member refers to as the late show, the adjournment proceedings, would automatically be suspended and delayed regrettably until tomorrow night.

[*Translation*]

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

[*English*]

PRIVATE MEMBERS' MOTIONS

HEALTH

SUGGESTED ACTION BY GOVERNMENT TO SUPPLY DRUGS TO THOSE UNABLE TO PAY FOR THEM

Mr. W. B. Nesbitt (Oxford) moved:

That, in the opinion of this House, where any person has an income of such amount that he is unable to pay for, in whole or in part, the cost of drugs that are medically prescribed for him or a dependent, the government should consider the advisability of taking steps, by itself or in co-operation with provincial authorities, to ensure that he is supplied with such drugs.

He said: Mr. Speaker, in presenting this motion this afternoon I have in mind, as do many but not all members of this House, a situation one encounters among our constituents from time to time. I refer to the fact that a person with a very modest income by any standards, who is not receiving assistance from any federal or provincial plan, is faced with a heavy burden through having to buy drugs under prescription in order to remain alive or remain in moderately good health.

As I am sure everyone knows, these drugs often are exceedingly expensive. The financial drain on persons with a modest income becomes almost intolerable. I have in mind people of any age who suffer from diseases of a permanent nature, such as diabetes, some forms of cancer, heart disease, kidney disease and other diseases, and who are literally kept alive through constant dosages of drugs. This is a particularly heavy burden on those of low or modest income. This motion is designed primarily for the benefit of such persons. May I say I purposely phrased the motion in very general terms so that if the government should take notice of it or agree to it, which I admit is probably highly unlikely, the government would then have the widest possible terms of reference within which to take some action. The first part of the motion reads:

—where any person has an income of such amount that he is unable to pay for, in whole or in part, the cost of drugs that are medically prescribed for him or a dependent,—

I say "any person" because people in all age groups are affected by this problem. It is true that those who are older are more likely to suffer, but occasionally younger people also suffer from some kind of chronic ailment. I am sure every member of this House could give a similar example, but I know of a young man 28 years of age who is suffering from a coronary attack and must take a variety of expensive drugs for a long time. I know of another young person, the head of a household, who has a very severe kidney problem involving very heavy medical expense in respect of a variety of drugs.

The next point in the motion concerns the words "unable to pay for, in whole or in part". This, of course, might be a matter of judgment because what one person might consider insufficient income another person might consider sufficient. We all know that some years back the poverty level in Canada, according to either the Economic Council of Canada or the Senate Committee on Poverty,—I forget which—was considered to be $3,000 for a family. Since then, after a period of inflation, I would think that an income of somewhere in the area of $4,000 or $4,500 might be considered to be the poverty level for a family. For a single person, it might be considered to be $3,000.

I do not believe I should suggest what might be the best method to prescribe free prescription drugs to those persons who might be concerned. There are a number of administrative ways in which this could be done. I will suggest some, but it will be up to the government to decide what administrative level would be the most effective and cheapest. Of course, the expense involved in buying these drugs could be shown as a deduction from taxable or net income. There is some relief at the present time in the

Income Tax Act but I do not think this is of practical help to the people I have in mind, since it merely involves expenditures in excess of 3 per cent of income. However, something along this line might be pursued. The government should take into consideration the fact that people of low income usually are required to pay cash for drugs, and cannot hold the bill for a period of a year in order to receive the benefit of a rebate. Perhaps some form of direct payment of these accounts should be considered by the government. The government might undertake this by itself or in co-operation with the provincial authorities.

Some weeks ago in this House I posed a question to the Minister of National Health and Welfare (Mr. Lalonde), who indicated that he would discuss this matter with his provincial counterparts. For the information of the House and the minister, I might say I have also made this suggestion to the provincial ministers of health and to the Ontario Minister of Community and Social Services. I have letters in front of me which indicate that the province of Ontario would be very happy to consider such a plan in co-operation with the federal government, because at the present time there is no such provision in respect of drugs in the province of Ontario, with certain exceptions which I shall mention in a moment. As I pointed out earlier those who are particularly affected by this matter are those who are over 65 years of age. While it is quite true that the recent increase in the old age pension certainly is helpful in matters of this kind, nevertheless the fixed incomes on which elderly people live are not too great.

When it comes to spending money in order to keep oneself alive, perhaps an appropriate expression would be that used in the movie "The Godfather",—"make an offer that can't be refused". To paraphrase that, even though people have a limited amount of money they must use it in order to keep themselves alive or in reasonable health. I would point out in this respect that 50 per cent of Canadians over 65 years of age live in poverty. This is the finding of an 18-month study of the income patterns of the aged. The study, conducted by two economists in conjunction with the Canadian Council of Social Development and the Ministry of State for Urban Affairs, concluded that the aged are poor whether they work or not.

• (1710)

The basic conclusion of the report described the situation as follows:

> Whether they work or not, they are destined to obtain a minimum subsistence income. For some, the decision to leave the labour force is merely a decision to accept a different poverty lifestyle.

The level of poverty among the aged is two to three that of other age groups. In 1968, 41 per cent of families whose head was over 65 years of age had an average annual income of less than $3,000, as compared to 8 per cent of families whose head was under 65. Elderly people spend a large portion of their income on prescription drugs, yet there are no assistance programs, either federal or provincial, which deal specifically with the aged. They are covered, however, under the following circumstances in most provinces. First, if they are in hospital, drugs are provided free of charge in certain cases. Second, if they are welfare recipients, most provinces will provide some assistance. In Ontario this also occurs under the family benefits plan. Third, if they reside in nursing homes which are under provincial jurisdiction, drugs are usually issued free.

A new plan is being undertaken by the Ontario ministry of health to provide free drug care through community pharmacies in home care cases. This will be designed as a full reimbursement program, but again is not specifically related to the elderly.

The Nova Scotia council of health recently concluded an 18 month study on all aspects of health care within the province. Their conclusion was that too many people still cannot get the health care they need and deserve. They recommended that free drugs should be made available to people receiving old age security supplements and to those who pay more than 3 per cent of their taxable income on drugs. People cannot afford the high cost of drugs and often end up in hospital as a result of improper medical treatment. This results in considerable expense to the taxpayer.

I know that many people would point out the high cost of the drug plan, but let me point out the high cost of no drug plan. As a matter of fact, a hospitalization and a medicare plan which results in not obtaining treatment at an early date often leads to serious medical problems which have to be paid for under the present federal-provincial plan. Some elderly people and poor people are often in the high drug utilization group; in fact, I would add that most of them are, yet they are the ones who can least afford it. In Ontario, recent estimates of the cost of drugs distributed from pharmacies in the province, showed an expenditure of $155 million a year. Of this, at least $28.5 million is spent by the over 65 age group, representing approximately 18.4 per cent of the total. Yet, the elderly are the ones who rely most heavily on drugs. The above mentioned figures can be interpreted to illustrate that the aged and people in the low income groups, while composing the group utilizing drugs the most, do not even spend an amount that would equal half of their need.

As I mentioned earlier, I have deliberately left the terms of the resolution very broad indeed so that should the government take some action on the matter they would have a carte blanche so far as the resolution goes. They could make some arrangements with the provinces, which would be more practical than doing something entirely on their own.

May I say in conclusion that I earnestly plead with the government to take some note of this resolution, because I feel that if nothing is done it will cost the country more in the long run. The government has certainly taken a great deal of credit to itself for its generosity toward the low income groups and the aged by its recent increases in old age pension. While the government in its wisdom did not see fit to lower the age of eligibility at which old age pensioners will receive their increased amount, I hope they might see fit to try to make some arrangement to provide prescription drugs to persons of any age, and particularly the elderly who require these to stay alive.

At present there are many persons—we all know of some—with extremely modest incomes who are just beyond the reach of any provincial or federal assistance. They do not seek welfare or charity with regard to drugs;

in fact, they simply will not ask for it and have great difficulty when they have heavy drug bills every month in trying to stay alive or even in reasonably good health. I hope the government will give consideration to this problem and take the necessary action.

Mr. Cullen: Would the hon. member permit a question? Is the hon. member at liberty to tell us which provinces he wrote to and which of them replied? Perhaps I should preface my question by complimenting the hon. member on raising this issue. I know the hon. member for Simcoe North (Mr. Rynard) raised it in the last session, and they are both to be complimented. Is he at liberty to tell us how many provinces he wrote to and those which replied and whether they were prepared to look at the situation?

Mr. Nesbitt: I had only written to the province of Ontario and there was some indication of what the province of Nova Scotia had recommended. I wrote to the minister concerned in the province of Ontario. I did not feel I should take the liberty of writing to ministers outside the province. Perhaps I should have done so.

Mr. S. Victor Railton (Welland): Mr. Speaker, the hon. member for Oxford (Mr. Nesbitt) introduced this motion on January 12. It really asks for aid for those people who find it difficult to pay for their drugs. The history of assistance schemes goes back to the early depression years. Different provinces brought in their own plans, and the federal government did also. But in 1966, the Canada Assistance Plan bill was passed in the House. It superseded four previous acts and underwrote the provincial medicare and welfare plans to the tune of 50 per cent. The act clearly states that people, even on minimum assistance, are entitled to payment for prescribed drugs.

However, the provinces in general have not incorporated drugs into their specific medicare programs, except for two or three instances. Yet, the Canada Assistance Plan allows prescription drug payment where tests of need, budget and family resources indicate inability or hardship in the purchase of necessary medication. It is sad to relate that not all persons in need are covered now. It is merely provincial inertia that prevents them receiving this assistance.

Broadly speaking, we must first define poverty. Second, we must know the nationwide cost of drugs, and third, we must determine the total cost of health care. It is imperative to designate also the levels of governmental responsibility, whether at the federal, provincial or municipal level. In the debate in the Senate on November 10, 1971, the question of poverty was discussed. A special Senate committee worked for three years and painstakingly examined every community in the country from St. John's to Vancouver. They found that the poverty rate in Canada amounted to 25 per cent of the population.

The causes of poverty should be understood. It is due to inadequate education, overcrowding in large cities, the fact that half of the poor are in the most densely populated provinces of Ontario and Quebec, that about two thirds of the poor are working people and over one million of the five and a half million people are over 65 years of age. It is this latter group which was referred to by the hon. member for Simcoe North (Mr. Rynard) in his question in the House of Commons on January 25, 1973, when he asked about drug costs for this group.

• (1720)

The Senate Committee recommended a guaranteed annual income for the main welfare agencies which could be conveyed to the provinces. This could be done without displacing Old Age Security, the Canada Pension Plan, Unemployment Insurance, War Veterans Allowances or the programs for Canada's native peoples.

Recently in this House veterans' pensions were stepped up, and will be increased yearly to parallel the general standard of living increment. So now veterans' pensions are almost in the category of guaranteed annual income. The Senate Committee also recommended inclusion in medicare of dental services and prescription drugs to all Canadians. So far this proposal has been rejected by all parties because the added cost would be prohibitive.

Provincial medicare schemes mainly cover hospital, diagnostic and treatment services as well as office and out-patient hospital care. Of course, convalescent and chronic care hospitals as well as many auxiliary services are included. The health bill for Canada is $3½ billion annually. The federal government insists on four cardinal points in any provincial health scheme. They are, comprehensiveness, universality, portability and administration by a public, non-profit body. It is one of the most enlightened health programs in any western, democratic country. Recently, the Minister of National Health and Welfare (Mr. Lalonde) announced in this House that he envisaged changes to improve the present act after consultation with the provincial governments. It is hoped that all provinces will add drug costs to their medicare schemes for the low income group.

One should compare our plan with that of the United Kingdom and of the United States of America. The former is a 100 per cent state-supported health program. Though the level of specialized hospital care is excellent, hospital beds are at a premium. In addition, the general practitioner work load is unbearable, so that apart from the hospitals the health service is unsatisfactory both to the doctor and to the patient. In the second instance, the United States only has medicare for those people over 65 and for those on welfare. There is no inclusion of specialist care. The United States falls away behind both the United Kingdom and Canada in its health program.

To digress momentarily, Mr. Speaker, the Committee on Drugs of the Ontario Cancer Treatment and Research Foundation, of which I am a member, presents an interesting experience. Most drugs which are used to combat cancer are expensive, and in most cases are required for long periods of time. It is the policy of most hospitals, cancer clinics and private doctors to allow a majority of the people suffering from cancer to have access to free drugs. They do not use any elaborate means test to make this decision. For this one group alone in Ontario the Foundation spent $153,961 in 1972 for this service.

Our Department of National Health and Welfare, through its director general, Dr. Armstrong, informed me that in 1970 $14.12 was the average cost per person for prescription drugs at retail pharmacies throughout the country. When this figure is translated into total popula-

tion costs it amounts to well over $300 million. In other words, the 25 per cent of the population designated as the poor would be spending over $80 million a year which they cannot afford.

The figures show that the Canada Assistance Plan even now provides $8 million to $10 million to provincial agencies for the cost of drugs, and this must be matched by the same amount from the provinces or municipalities. This leaves $50 million to $60 million still not underwritten by government agencies, even though there is provision in the Canada Assistance Plan to pick up that tab. Both the patient and the assistance agencies seem to be ignorant of the benefits that are possible to obtain. This $50 million to $60 million is a big sum, but we could accept it because even this amount could be divided between the federal government and the provincial governments. In the light of this fact, if this segment of society is to benefit from the proper interpretation of the Canada Assistance Plan Act, practically all people below the gray line of poverty would not have to pay for their drugs. It is suggestions like this which the Minister of National Health and Welfare has on his agenda to discuss with provincial premiers in the near future.

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise to address myself to this motion with a considerable amount of sympathy for it, but with some reservations. The motion deals with payment for medically prescribed drugs provided for persons who are unable to pay for them themselves. My hesitation arises in the difficult area of a means test to discover those who are in the category of needing this kind of assistance. Otherwise, I think the hon. member has pointed out an area of real concern to us as Canadians, in terms of the kind of situation which we as members of parliament run into all the time, where elderly individuals find difficulty in paying medical bills, particularly drug bills. Where these people have to use drugs, such as insulin, they find it a particularly costly item.

I have encountered this situation on numerous occasions and this is the reason I rise to speak to this motion today. I want to quote from Senator Croll's report on poverty, the Special Senate Committee, which pointed out a number of relevant problems connected with the cost of drugs. A representative of the Canadian Medical Association pointed out the following facts to Senator Croll's committee:

> It so happens that even in the most affluent nations like Canada and the United States, 20 per cent of the population are poor. There are forty million poor in the United States and 3,500,000 in Canada, and this 20 per cent of the population suffers something like 75 to 80 per cent of the major illnesses.

It bears repeating that 20 per cent of the population categorized as being below the poverty level suffers somewhere in the neighbourhood of 75 per cent to 80 per cent of the major illnesses in these two countries. This illustrates the kind of real tragedy there can be in our society for those people who cannot meet the cost of drugs.

Further on the report points out:

> People "on welfare" receive doctors' services free of charge in all provinces. Five provinces include drugs. Five cover dental care. Four provide optical appliances, and various others provide such items as prosthetic appliances, physiotherapy, home nursing, chiropractic, and transportation.
>
> People who are not "on welfare" but are poor may have to dig very deep to find money for health services not included as yet in any plan, particularly the cost of drugs. High drug costs represent a real barrier to meeting health needs.

[Mr. Railton.]

• (1730)

The words of the Royal Commission on Health Services are then quoted as follows:

> We believe it is only fair to the drug industry to serve it notice that the nation expects that drug prices can be brought down over the next five years to levels more comparable to those prevailing in other industrialized nations of the world. The time has come for the drug industry in Canada to recognize that it is not just like any other industry operating for gain, but that it deals in products which are essential for health and indeed for life.

The report points out areas where there are problems relating to the cost of drugs for individual citizens. The costs bear especially heavily on those persons whose income is below the poverty line. The entire area of drug costs must be tackled by the government, in the public interest. I am sure hon. members realize that in Saskatchewan medical services are provided for citizens irrespective of income level. In that province the costs of such items as hospitalization and medical care premiums are covered. Senior citizens over age 65 in Saskatchewan pay no medical care or hospitalization premiums. This year chiropractic care costs have been added to the program and hearing aid costs are also to be reduced. I have spoken to senior citizens in small communities of Assiniboia who have paid incredibly high prices to shysters who have ripped them off by charging far too much for hearing aids. In addition to these programs we have in Saskatchewan other fairly comprehensive social assistance programs.

One cost, however, that is causing considerable concern across this nation is the increasing cost of prescription drugs. That cost is of concern particularly to the one out of every four Canadians who live below the poverty line. We must go beyond the measure brought forward by the hon. member. All Canada must involve itself in an over-all prepaid drug program which must cover the entire population of this country.

Although there is nothing new in the recommendations of the Croll report on poverty, I think some of the recommendations concerning a prepaid drug program and other ancillary programs relating to health as set out in "Highlights from the Report of the Special Senate Committee on Poverty in Canada" are worth mentioning. In particular, I am referring to four recommendations of substance that should be given serious consideration by any government in this country. Those recommendations say, and they are worth repeating:

1. that hospital and medical services be financed entirely out of general revenues.

2. that the Medical Care Act or similar legislation be the vehicle for bringing additional forms of necessary health care, including dental services and prescription drugs, to all Canadians.

3. that comprehensive community-based neighbourhood health centres be encouraged and that more emphasis be placed upon preventive and rehabilitative aspects of health care.

4. that family-life education and family-counselling and family-planning programs be made available and easily accessible to the poor.

The main recommendation is the second one, that the Medical Care Act or similar legislation be the vehicle for bringing additional forms of necessary health care, including dental services and prescription drugs, to all Canadians. I believe that all governments in Canada should join together and institute a prepaid drug program across the board for all Canadians. We should make sure that those in need in this country are covered by proper programs of insurance that will enable them to meet the high costs of medical services. It is important that such a program be made available in lower income areas which also suffer from high food costs. This scheme ought to be made available nationally, in all provinces. I am sure that all three NDP governments in Canada would be interested in a national program involving prepaid drugs. Such program could be put into effect in each province to ensure that Canadians can properly meet high drug costs.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I congratulate the hon. member for Oxford (Mr. Nesbitt) for bringing this motion before the House. I also congratulate the hon. member for Welland (Mr. Railton) and the hon. member for Assiniboia (Mr. Knight) for their comments.

I believe the program we are talking about is most important. The minister of national health and welfare in the previous parliament suggested that the establishment of such a program might be his next priority. I do not know what the priorities of this government are. Nevertheless, let us remember that the Hall commission report, on which the medicare program is based and which the government followed, recommends the establishment of such a program. It said definitely that drug care should be the first priority after the institution of the national health care plan. We must keep this in focus, because the bill setting up the medical care plan was introduced in 1967. The report said specifically that medical care must be available to all people, regardless of their ability to pay, and drug care was to be a priority. It is worth reminding hon. members of the recommendations in that report because I think people need to be reminded that drug costs in this country are almost equal to medical fees: we pay about as much for drugs as we pay for doctors' services. We must not forget that. Publicity says so much about the high cost of doctors' services; therefore, let us talk about the high cost of drugs.

It is true that since the federal government took over responsibility for medicare, costs jumped from $3.2 billion in 1967 to $4.5 billion in 1972. That is quite an increase. Naturally the government is concerned, particularly when its over-all spending this year will increase by 17 per cent. I should like to point out that if the measure introduced by the hon. member for Oxford were to be passed, we could bring down health care costs. Many health costs are borne at present under the national medicare plan. There are many reasons for increasing health costs in this country and I think we should consider some of them. As the hon. member for Welland pointed out, our life span is increasing. Let us not forget that. Although I do not want to burden hon. members with statistics, they should remember that in 1900 the average life span was 40 years; today it is over 70 years. One need not use much imagination to realize that there are a great many older people living today. In Canada, a higher percentage of the population is composed of the aged, as is the population of the entire world.

In 1900, the world population was 1.5 billion; in 1960 it was 3 billion, and by the end of the century there will probably be between 6 billion and 7 billion people in the world. Naturally, there will be an increasing number of older people in the population. Looking after all those people, keeping them well, keeping them active and keeping them out of hospitals and institutions will cost the taxpayers of this country many millions of dollars. Right now there are over 1,700,000 people over 65 in this country, about one quarter of whom do not have any taxable income. Most of these people are unable to work; and I need not tell you, Sir, what inflation has done to any savings they might have accumulated.

• (1740)

The old age security increase of April 1 will be an increase of only $13 and a few cents a month. We must not forget that. This in no way meets the escalating costs. I ask all members of this House to look at the record since 1965, using the inflationary factor. It will be seen that these people are still being denied what is their right.

In Canada, approximately one in four is living at or below the poverty line. Sure, we pay for the health care of many of these people. We see them in emergency departments or in our offices. We give them a prescription, and over and over again they ask what it is going to cost. This can be supported by every doctor in practice. Often they will have to wait until they get their pension cheque, pay day, or can borrow some money. What is the common sense in having a man come to an expensive emergency unit in a hospital, have the doctor see him and prescribe medicine that he cannot buy?

I was very interested in the figures quoted by the hon. member for Assiniboia (Mr. Knight). He stated that the sickness factor was much higher for those living below the poverty line, and the aged. This is very true. If we do not want to be sympathetic, let us do something for economic purposes. If we reduce the number of people in hospitals, keep them from suffering a long sickness and restore them to health as quickly as possible, we will find that this is also the cheapest way.

The fact that there is four times the amount of sickness among those below the poverty line needs no further explanation. This situation requires four times the amount of hospitalization. A hospital bed in Canada today runs anywhere from $50 to $80 a day. The Hall commission report has already been quoted. It states that one day in hospital costs the same as a month's supply of drugs. We should look at this not only from a humanitarian standpoint but from the standpoint of straight economics. If a prescription is not filled, the same patient may later be admitted to hospital at a cost of $60 to $80 a day. Anyone can see how "penny wise and pound foolish" that can be. The same argument applies to all those who are not covered by welfare and yet make up the people unfortunate enough to be in the one-to-four group. The government will say that the Canada Assistance Plan will buy their drugs. It does in some cases. However, let me remind the government, if indeed it needs reminding, that this is slow in operation and uncertain in its application.

In Ontario there are two levels of assistance. First there is the basic requirement of food, shelter and clothing. The second requirement is listed as other items under health care, including drugs. We must remember that some provinces have no appeal board for health care services and drugs. The province in which I live does not. The Minister of National Health and Welfare (Mr. Lalonde) and people working in this field know the hodgepodge area in which they are working. An overlapping bureaucracy costing millions of dollars serves no purpose for the person who needs help. In many cases it leaves untouched pockets of humanity in despair and needing help.

The economic cost of this program is tremendous, particularly when you consider that there is four times the amount of hospitalization and sickness with persons 65 years and over than there is with those in the 35 years of age group. This proportion holds true for those living below the poverty line. The reducing of this amount of sickness would cut down health costs materially.

Another point I would like to make is that many people who are on essential medicines are able to work. They do not become economic charges. Many of them are able to look after themselves in their own homes, rather than being in a hospital or a chronic care unit. The lives of many are maintained on life saving drugs that are necessary for the treatment of cardiovascular disease, diabetes and a long list of other diseases. Almost 50 per cent of our diseases have emotional overtones. Many people today would be in mental institutions or otherwise confined if it were not for the judicial use of tranquilizers. They are able to adjust, to look after themselves and to work.

Drug care was to be a part of medicare. It is a priority. If drugs were made available in many cases, as the hon. member for Oxford suggested, health care costs would be cut and we would be doing what we should be doing to avoid suffering, illness and increasing economic costs in our community. I do not think I need dwell at length on the life saving quality of drugs, but I want to say that many professional men in Canada today, many people in business and in the work force who work every day, and if it were not for drugs, many of them would not be working; many would have passed on; many would be in chronic care units. This would cost a lot more than we are paying today.

As I said at the beginning of my remarks, one day in hospital costs more than four weeks' supply of drugs and dressings. I wish to cite a simple example. Thirty years ago, the disease of pneumonia was very common. One in four died from it. Many of these people were husky, young, family men who left four, five or six children when they died. The death rate was one in four or one in five, depending on the type of pneumonia they had. Then penicillin was discovered. The story before penicillin was that one in four or five died of pneumonia and the others were away from work for a minimum of two months. Many had to be taken to hospital and operated on for empyema, or pus-forming in the lung. Today, by administering drugs properly, these people are able to return to work. Most of them are back at work in two weeks. This is a striking case of the economics of drugs.

I do not think I have to go any further than saying we should follow up the Hall commission report, not only for the sake of humanity and decency but to stop spiralling health care costs. Let us treat these people adequately, keep them out of hospital and keep them working.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I listened with great interest to the comments of the hon. member for Oxford (Mr. Nesbitt), the hon. member for Welland (Mr. Railton), the hon. member for Assiniboia (Mr. Knight) and the hon. member for Simcoe North (Mr. Rynard). I would like to deal with the questions raised by those hon. members and, more specifically, with the motion now before us.

Motion No. 6 in the name of the hon. member for Oxford deals with a very specific question. In effect, it recommends that the government give consideration to providing a form of care to those who are unable to care for themselves. In his speech, the hon. member paid particular attention to those over 65. I would like to say that as a federal government we do not have full and total jurisdiction in this particular case. Under the Canada Assistance Plan which was passed by parliament, the federal government has provided a vehicle in fact to achieve the objectives of this motion. Under the Canada Assistance Plan we pay 50 per cent and the province pays 50 per cent to look after those in need. That includes the elderly and those of any other age group which needs medicines or drugs.

• (1750)

The provinces have the responsibility of administering that program. This means that I, at this moment, cannot really see any point in passing the recommendation presently before the House. However, the comments of hon. members certainly lead me to believe there is need for further consideration to be given to the whole question of pharmacare and the approach toward the provision of free drugs to those in need.

I would like to comment now on some of the remarks of the hon. member for Assiniboia. He is really advocating a universal pharmacare program. This is something which I agree has to be considered by the provinces and by the federal government. As hon. members know, a federal-provincial conference of health ministers is to be held in the near future, at which the provincial health ministers, along with the federal Minister of National Health and Welfare, will be giving consideration to a whole new formula designed to look after health care costs. Hopefully, an agreement will be reached which will allow the provinces a full range of programs which they themselves can initiate without in any way jeopardizing the cost-sharing arrangements with the federal government. At present there is a 50-50 cost-sharing formula, depending on the kind of service which is provided. This means that in many cases provinces confine their medicare operations to areas which are more expensive than others because we share the costs with them.

Under the formula which is proposed, financing will be on a per capita basis and the provinces will have full and complete freedom to involve themselves in a whole broad range of medicare facilities. This will, it is hoped, cut down the rapid escalation in health care costs as well as provide better health care delivery systems in the prov-

inces. It is my opinion that such a conference is the kind of forum at which the question of pharmacare costs should be raised. I believe that many members of this House as well as many Canadians in general recognize the problems and the benefits which may result from a universal pharmacare program. I am hopeful that the conference of health ministers will take this question into consideration very seriously.

In addition to the forthcoming conference of health ministers, a further conference has been arranged to consider the Canada Assistance Plan and a whole series of welfare programs now operating in Canada, whether federally initiated or provincially applied and initiated. The one thing we have asked all the ministers to bear in mind during the initial discussions on welfare problems in Canada is that they should set aside for the time being questions of jurisdiction so that they can look at the whole problem and develop a formula which will benefit all Canadians. We could then zero in, determine who is responsible for what, and how the programs would be implemented. It is hoped that the result of such an approach would be to provide better welfare services in Canada, better programs which would reduce the amount of red tape, giving Canadians easier access to the kinds of assistance which are really necessary.

As has been mentioned many times in this House, the Speech from the Throne referred to the provision of a guaranteed annual income to those who are unable to work, and undertook to provide some other assistance to those who are able to work but who cannot find jobs. Certain of those who are in need in that group—and there are many of them; the handicapped, for example—could well be classified as unable to work, yet at the same time there may be many handicapped people who think it is in their interest to work, that it would be good for them if they did so. This is the kind of question which has to be resolved. I am hopeful that in the over-all review which will next take place during Easter week, the kinds of representations made here today will form part of that consideration.

An hon. Member: If you are hopeful, sit down and vote.

Mr. Cafik: The hon. member says that if I am hopeful I should sit down and vote. I have thought about that, Mr. Speaker, and it is my opinion that these are not questions which should receive consideration by the federal government alone. After all, we do live in a federal state, and in the cause of preserving national unity and co-operation with the provinces it is only fair and reasonable, and I believe it, is expected of us, that we negotiate these matters in a conciliatory way, allowing the provinces to participate with us, so that we will arrive at a position whereby a maximum number of people in Canada will derive benefit from the deliberations of the provincial governments and the federal government.

The resolution suggests, really, that we ought to give consideration to providing, at the federal level, assistance to those who are in need in respect of drug costs. That, Mr. Speaker, is already being done under the terms of the Canada Assistance Plan.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Oxford (Mr. Nesbitt) on a point of order.

Mr. Nesbitt: On a point of order, Mr. Speaker, the parliamentary secretary has just indicated that in the resolution there is no reference to the provinces. I will not read the whole resolution, in consideration of the member. having only a few minutes left, but I refer to the resolution as follows

—the government should consider the advisability of taking steps, by itself for in co-operation with provincial authorities, to ensure that he is supplied with such drugs.

Mr. Cafik: I have already pointed out in respect of this question that the Canada Assistance Plan passed by parliament does in fact provide the vehicle for the achievement of the objectives of this particular motion.

The Acting Speaker (Mr. Laniel): Order, please. It being six o'clock, the hour appointed for the consideration of private members' business has expired. I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S.O. 26

COMMUNICATIONS

BELL CANADA—RATE INCREASES

Mr. Deputy Speaker: Leave having been granted to the hon. member for York South (Mr. Lewis) to move the adjournment of the House pursuant to Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the decision of the Canadian Transport Commission to grant Bell Telephone almost all the rate increases it requested in its application A and the need for the government to suspend the application of the decision immediately, and to consider rescinding it as unacceptable and contrary to the public interest.

Accordingly, the motion is as follows: the hon. member for York South, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), moves:

That this House do now adjourn.

The Parliamentary Secretary to the President of the Privy Council (Mr. Reid) on a point of order.

Mr. Reid: Mr. Speaker, there have been discussions through the usual channels as to the procedure we might follow this evening. I believe it would be agreeable for the lead-off speakers from each party to have 15 minutes, for succeeding speakers to have 10 minutes and for the House

to adjourn at eleven o'clock. I think there might be agreement to make this a House order.

Mr. Baldwin: That is quite all right, Mr. Speaker. Who knows; it might become a tradition of the House to have speeches of that length.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, what the parliamentary secretary has stated does represent the agreement of all of us, except that I would make this one modification, namely, that the adjournment is to take place not later than eleven o'clock. If words run out before then, we should rise at that point.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I suppose there have been some discussions and since we make it a practice to abide by agreements, we approve the proposals just made.

[*English*]

Mr. Deputy Speaker: Is it agreed, then, that the lead-off speaker for each of the four parties shall have 15 minutes, that thereafter each speaker shall have 10 minutes, and the debate shall continue until, but not later than, eleven o'clock this evening?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed and so ordered.

Mr. David Lewis (York South): Mr. Speaker, the motion was placed before the House, not as a gesture but because I believe it is important for the people of Canada, for the minister and for the government to have the views of Members of Parliament as it considers this important issue and tries to arrive at a decision. The first fact I want to underline—and I shall go from one point to another as quickly as I can—is that Bell Canada has been given four increases in three and a half years. They had an increase on September 25, 1969, another on December 1, 1970, a third on May 19, 1972, and a fourth on March 27, 1973. Each time, the Canadian Transport Commission gave Bell Canada not always all it requested, but almost all.

What disturbs me even more is that the increase approved last Friday by the Canadian Transport Commission is merely a prelude to application B which is already before the Canadian Transport Commission, and if that were granted the increases would make those approved last Friday pretty small potatoes. Obviously, Bell Canada is seeking more and more of its customers' money. I say, Mr. Speaker, it is time to call a halt to the monopolistic gouging by Bell Canada of the people of Canada.

The second point I make, Mr. Speaker, is that Bell Canada is not claiming that it needs these increases for profit or for its operations; Bell Canada is claiming it needs them in order to have capital for further investment. What it will do is get from its customers a pool of investment capital for which it does not have to pay, and I say that a company as powerful as Bell should not be allowed to tax its customers; and that is what its rate increases really mean.

Mr. Speaker, what is this poor, poverty stricken company about? What have its profits been? I received only today the annual report of Bell Canada for the year 1972, and on one of the pages of that report there are financial figures for 1963 to 1972 inclusive, that is, over a period of ten years. During that period there was a steady and large increase in profits every year except one: in 1969, the profits were slightly below those of 1968. But to make up for it, in 1970 there was an increase of 17.2 per cent over 1969; in 1971 and increase of 10.5 per cent over 1970; in 1972 an increase of 11.9 per cent over 1971.

Mr. Speaker, when you look at the profit picture of Bell Canada in these ten years, you find that from $68.25 million of profit in 1963, this gouging company reached a profit of $164.75 million in 1972. How much more does Bell Canada want out of the people of this country? And I am not talking about gross profit before taxes; I am talking about profit after taxes that are currently paid, which include deferred taxes in large amount. In addition to these profits, according to this report which I have just studied, Bell Canada now controls ten other companies outright and has an interest, although not a controlling interest, in several others.

• (2010)

I say that the people of Canada have already made a sufficient investment in Bell Canada. Some hon. members may not know this, but I have been interested in the subject and as at the end of 1971, Bell Canada had total deferred taxes of $224 million. By the end of 1972, these deferred taxes amounted to $322 million. That represents an interest-free loan by the people of Canada to this huge corporation of $322 million at the end of 1972.

What is even more significant in respect of Bell Canada's request for an increase is that one of the ways it can add to its deferred tax position is to continue to invest and to change its machinery and equipment. The more it changes its equipment every year, the fancier the telephone, the more it is able to avoid paying taxes by deferring them. That is the only way a corporation can do this, by continuing to buy new equipment and machinery; only then can they take advantage of the deferred tax provisions of our unfair tax system. The amount of $322 million from the people of Canada is more than enough to give to this huge, powerful corporation.

It is for these reasons, and because these facts seem to be overwhelmingly persuasive, that I think Bell Canada ought not to be allowed any more increases at the expense of its customers, the majority of the people of this country. On this basis I placed this motion on the order paper.

I want now to turn the attention of the minister to the act and its relevant section. It is, of course, true that parliament gave, under the National Transportation Act—as it had previously given under the Railway Act—the first responsibility for regulating these prices, tariffs and charges to the Canadian Transport Commission. I have very grave doubt whether the Canadian Transport Commission is equipped to deal with this matter, whether it is equipped to understand the importance of the material that Bell Canada places before the commission every time it asks for a rate increase. Therefore, I have very grave doubt whether the commission is in fact protecting the public interest.

I note with sadness that the president of the commission which granted this increase to Bell Canada is the Hon. Edgar Benson, former minister of finance. Whatever one may say about the Canadian Transport Commission, I plead with the minister and members of the government to realize that the ultimate responsibility for protecting the public interest lies with them. The act places that responsibility upon them. Section 64(1) of the National Transportation Act reads in part as follows:

The governor in council may at any time, in his discretion—

Let me point out this is not in the discretion of the Canadian Transport Commission; it is in the discretion of the governor in council. It continues:

—either upon petition of any party, person or company interested, or of his own motion, and without any petition or application, vary or rescind any order, decision, rule or regulation of the commission, whether such order or decision is made *inter partes* or otherwise, and whether such regulation is general or limited in its scope and application; and any order that the governor in council may make with respect thereto is binding upon the commission and upon all parties.

There could not be more clear language. The act in fact says, I suggest, that the initial responsibility for regulating these rules lies with the Canadian Transport Commission, but that the ultimate responsibility for protecting the public interest is placed on the government of Canada by the section of the act to which I have just referred. I plead with the government not to abrogate its responsibility in this case. I plead with the minister and the government to carry out its duty under the section I have read, because there is no reason for this increase.

I appreciate, as I indicated by a question this afternoon and as I indicated to the minister in conversation on the subject this morning, that it would take time for the government to make a final decision. I hope it will be a decision to rescind this unconscionable increase in rates which the CTC has thoughtlessly given Bell Canada. I appreciate this will take time. The government cannot easily do something about a decision of a body given the power under the act. The government needs to have a full study made, not only of the decision but of all the material that was placed before the commission, so it can justify whatever decision it will make.

Because I appreciate that, I suggested to the minister in my question this afternoon and in my conversation with him this morning that the government ought to immediately suspend the application of the CTC decision pending a final decision of the government on the order made by the commission. If the government takes a week or two to make its decision, by that time the new tariffs will be in effect and I suggest at that point the government will be caught and will not able to act where it might easily want to act after studying the decision and all the relevant material.

It seems to me there is clearly a prima facie case to question the action of the CTC. It seems there is clearly an initial reason for wanting time to study the material, in order to act upon it in accordance with the authority given the governor in council by the section of the act I have read. In order to give itself the time necessary, I see no reason in the world why the governor in council could not, within the next week or so, make a decision to suspend the application of the order of the Canadian Transport Commission pending further study of the entire matter.

The CTC has obviously been intimidated by this large corporation I submit that the government must not permit itself to be intimidated by this huge, monopolistic corporation in Canada. I suggest, also, that it is time we served the interests of the people of Canada instead of the interests of Bell Canada. As I said earlier, the time has long passed when a halt should be called to this constant demand by Bell Canada for more and more from its customers, the people of this country. Now is the time for the government to act along the lines I have suggested.

Mr. J. R. Ellis (Hastings): Mr. Speaker, in speaking to the motion of the hon. member for York South (Mr. Lewis), I do not intend to plead on behalf of this party for relief by the government. It has been our task, which has proved to be ineffective, to plead with the government in respect of other issues. Our efforts in this regard have proved that the government is insensitive, not only to the pleas of the opposition but to the pleas of the public.

• (2020)

The recent approval by the CTC of the application by Bell Canada for rate increases is yet another example of the contradictory and convoluted non-policy of the government with regard to combating inflation. In the February 19 budget address, the Minister of Finance (Mr. Turner) adamantly claimed that the 1973 budget was designed to reduce inflationary pressures in Canada and to offset the effects of past inflation. He implored business, labour and the professions to "exercise price and income restraint". Yet the Liberal government has failed to offer any specific guidelines or policy proposals to implement and enforce their budget goodies. The increases allowed Bell Canada, and others under the CTC's jurisdiction, are so large and out of proportion that there can be no relationship whatsoever to any reasonable price guidelines as advocated in the February 19 budget speech.

I find it interesting that there was placed on our desks a short while ago a green document from which I should like to quote a small portion which I find very interesting. It reads:

The present federal regulatory body for telecommunications carriers is the Canadian Transport Commission (CTC) which derives its authority from the National Transportation Act, the Railway Act, and the special acts of incorporation of the undertakings subject to its authority. The CTC either does not have, or has not in the past exercised, authority over a number of matters that are dealt with in subsection C below.

The powers of the CTC are suitable only for the broad economic regulation of a particular corporate entity and are not related to any statutory national policy and objectives—

I repeat the words "are not related to any statutory national policy and objectives."

—such as the vital importance of east/west communications to the sovereignty and economic prosperity of Canada, and to the preservation of its social and cultural identity.

It goes on to say that the recent criteria for the exercise of regulatory authority require the commission to ensure that questions in respect of tolls shall not subject any particular person or company or any particular description of traffic to any undue or unreasonable prejudice or

disadvantage in any respect whatever. I suggest that we are subjecting all the people of the area governed by this monopoly to a particularly discriminatory rate increase. The government obviously is unwilling and incapable of fighting rising inflation. Its persistent refusal to meet with business representatives or the provinces to outline policy guidelines shows a decided lack of forthrightness and iniative.

As recently as March 28 this year, in reply to a question asked by Mr. Stanfield about wholesale price increases and the government's intention to implement new measures—

Mr. Deputy Speaker: Order, please. Would the hon. member please refer to hon. gentlemen who are members of this House by position or constituency rather than by name.

Mr. Ellis: I stand corrected, Mr. Speaker. I was directing attention to a question asked by the Leader of the Opposition about wholesale price increases and the government's intention to implement new measures to control inflation. The Prime Minister (Mr. Trudeau) replied:

I have no policy statement to announce today on that matter.

We have had no policy statement since then having to do with the control of price increases. The day after the budget was presented, with the plea of the finance minister to business, the government's spending estimates were introduced for the fiscal year 1973-74. These showed an increase of almost 15 per cent over the previous fiscal year.

We would strongly recommend that the government take advantage of the power vested in it by law and review the decision of the CTC to increase rates for Bell Canada. One of the facts I find so interesting is that originally, as I understand it, the CTC was developed to protect the consumers' interest; in other words, to defend the public from increases by bodies which had powers unaffected by the normal question of competitive rates.

I recall an occasion many years ago, while I was mayor of a small city, when the Association of Mayors and Reeves decided to object to similar rate increases. however, the association did not have the financial base upon which to argue in respect of the decision of the CTC to give Bell Canada an increase. When the provinces object to such increases, frequently they have difficulty in finding sufficient money in their budgets to oppose an increase, simply because Bell Canada with its army of lawyers, economists, and so on, is extremely well prepared and well financed to fight such a battle.

I suggest that this applies not only to the CTC in respect of Bell Canada but also to freight rates, telecommunication and transmission rates which the CTC also controls. So far as that goes, we have the present government not using the authority it has to hold in check other regulatory bodies, such as the National Energy Board, the CRTC, and others. These bodies, seemingly, grant increases whenever asked and the government does not provide an opportunity for the public as a whole to object to the increases.

Corporate law is becoming very complex and the individual Canadian is not equipped to appear before the CTC and present his views in a manner that could overcome the rhetoric of the legal staff of Bell Canada or other large bodies. So we find that the government has increased its spending and is allowing its own regulatory bodies to increase rates without any guidelines whatever. We feel the government must recognize the state of the economy for what it is and, furthermore, must introduce effective measures and guidelines to combat increasing inflation, particularly in areas under its jurisdiction.

[Mr. Ellis.]

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am pleased to comment on the motion before us this evening requesting the immediate cancellation of the rate increases granted Bell Canada.

The matter is very serious because we are grappling with a company that has virtual monopoly, in Quebec and Ontario, on all that is called "telephone". People are therefore the slaves of any of the company's decision because they cannot switch over for service to another company when costs are too high.

I congratulate the hon. member for York South (Mr. Lewis) for having introduced a motion on this matter this afternoon. The terms used are, to my mind, quite accurate; it reads in part as follows:

. . . the decision of the Canadian Transport Commission to grant Bell Canada almost all the rate increases it requested in its application A and the need for the government to suspend the application of the decision immediately and to consider rescinding it as unacceptable and contrary to the public interest.

Mr. Speaker, this motion is most important because it reflects, I think, what all Canadians believe. I am sure the hon. member for York South thought of all Canadians this afternoom and specially of those who have a hard time making ends meet. Through this motion, he appeals to all, and particularly to those who are responsible for this Commission and have the power to authorize or refuse the increases requested by Bell Canada.

Everyone in this House knows that for the last six years Bell Canada—

Mr. Blais: Mr. Speaker, I rise on a point of order.

• (2030)

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for Nipissing (Mr. Blais) wishes to rise on a point of order.

[*Translation*]

Mr. Blais: Mr. Speaker, I have obtained a copy of the French text of the resolution if I understand the hon. member addressing the House, he is referring to a resolution to rescind decisions relative to increases whereas the resolution does not mention rescinding but actually calls upon the government to suspend application of the decision immediately in order to consider rescinding it.

[*English*]

Mr. Deputy Speaker: The dividing line is a little thin, as I read the resolution in both English and French, and I think the hon. member should be allowed to make his argument. So I recognize him again.

[*Translation*]

Mr. Beaudoin: I thank the hon. member for calling me to order. I believe it means practically the same thing, if we went to the same school. We probably did not, but I believe we both speak French. And the terms are very similar.

Mr. Speaker, I should like to quote now from an article published in the Friday, February 16 issue of *Le Soleil*, by Mr. Burtnick, a representative of the Ontario government, who says he is shocked that Bell Canada, over at least six or seven years, has been requesting rate increases every year or two. And Bell Canada never fails to indicate that the request for increased rates is motivated by increased salaries. The low-wage earner is always blamed for the poor management of those who are seeking excuses for their mismanagement.

I should like to quote the statistics supplied to me by the Corporation of Quebec teachers, in a brief addressed to each hon. member, to prove to the House that salaries are not the cause of Bell Canada's increased operation costs. In 1966, Bell Canada had 40,008 employees and total salaries were $225,400,000; salary increases were $25,200,000, i.e. 12.6 per cent.

• (2040)

In 1967 the number of employees at Bell Canada was 38,123, salaries $236,800,000 and the growth in salaries $11,400,000, a 5 per cent increase.

In 1968 employees numbered 37,489, salaries reached $250,700,000 and the growth in salaries $13,900,000, a 5.9 per cent increase.

In 1969 it was clear that it was certainly not the rise in salaries that was behind the tariff increases, for Bell Canada had 38,686 employees, paid $274 million in salaries and the growth in salaries was $23,300,000, a 9.3 per cent increase.

In 1971, the company had 39,136 employees, the payroll was $333,800,000 and the growth in salaries was $31,900,000, a 10.6 per cent increase.

In 1973 the number of employees is 41,000, salaries amount to $398,800,000 and the growth in salaries is $30,200,000, an 8.2 per cent rise.

Bell Canada stressed to the Commission the cause of its tariff increases. I believe that if this company is granted the increase that it is now requesting, this will be the equivalent of disguised taxation which, once again, will come from the pocket of the small taxpayer.

Bell Canada attributes the rise in its operating costs to the following elements: the rise in prices, $11 million; increased taxation $12,900,000—we see that it is again the "behind the door" taxation which is putting the tariffs up—and the new collective agreement, $33,400,000.

The figures I quoted earlier show that the cost of the collective agreement, $33,400,000, is not the correct figure. I have worked out the average of the figures I quoted earlier; it comes to $26,600,000 and not $33,400,000. Therefore, it is no excuse for Bell Canada to say that it is the small salary earners who are lining their pockets, and that that is what is putting up the cost of its services.

To quote again from the same newspaper; *Le Soleil*, Mr. D. W. Burtnick stresses:

> Last year the company installed 177,000 more telephones than expected—at an average cost of $17.50—but in its end-of-year statement, Bell said it had spent $500,000 less than expected.

And it claims it is forced to put up its tariffs. If it sets up more equipment than anticipated on the other hand, it incurs less expenditures.

The quotation goes on as follows:

> The Ontario representative also blamed those who, testifying for Bell, stated that if the company could not increase its rates, the service would deteriorate.

In the past, one had to travel 2 or 3 miles to find a phone in a home of a remote rural area. On the other hand, we find one in almost every house and even sometimes 3 or 4. I think that it shows that Bell Canada does not have to raise its rates to finance itself. Moreover, in order to show what is going on in Quebec, I would like to quote again *Le Soleil*:

> Calyle Gilmour from Covey Hill recalled that Quebecers already pay $24 million to Bell and that the company will pay $32 million in school and municipal taxes in Ontario, but only $7.4 million in Quebec.

Once more, the people of Quebec are those who will bear the cost. In Ontario, Bell Canada almost always purchases its equipment from a company which it owns outright. If this company increases the prices of the equipment it sells, the user who must pay cannot be held responsible for it.

Statistics show that 99 per cent of families have a telephone and that Canadians are the world leaders as regards the use of the telephone, with 6.2 calls a day.

Therefore, I believe that the telephone can no longer be considered as a luxury but rather as a vital service for all the Canadian people. Consequently, anyone should be able to afford it. Even the government of Quebec considers as essentiel the cost of telephone when calculating the amount of the benefits to be paid to the 300,000 people who live on welfare in Quebec. I suggest it is very important for the government to see to it that this vital service is not too expensive.

Mr. Speaker, I do not want to describe all the aspects of this rate increase, but I wish to emphasize the fact that Bell Canada is going much too far when establishing some rates which always go up every two or three years.

With this new application A there will be a 50 per cent increase for installing new telephones for anyone who is moving into a new house or who has no telephone. This is nonsense, Mr. Speaker.

Considering that there is a 50 per cent increase by set, if a homeowner has had 4 telephone sets installed, equipment charges for the four sets are increased by 50 per cent.

Moreover, if there are two or three telephones in a house, it makes no difference: so much is charged by set. Nor can I understand how it is costing to make a call from a Contempra phone than from a standard phone. There are a lot of anomalies in that rate increase and once again I congratulate the hon. member for York South (Mr. Lewis) for having brought that motion in.

Bell Canada

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I do not intend in this debate to stand up for Bell Canada and its claims. Nor is it my intention to stand up for the decision made by CTC nor the commission itself, the very simple reason being that the decision was made exactly three and a half days ago and out of those three and a half days two were non-working days. I think that the opposition and my own colleagues would have every reason to find me extremely presumptuous and question the soundness of my remarks if I ventured to stand up for or condemn the decision when all hon. members of this House barely had time to peruse the document.

This is why I am somewhat surprised to see the opposition express its views in such a firm and categorical way when it is a document, as I say, that nobody has had time to examine in depth; if somebody did have time to do so in the period of time available to us the analytical faculties of that man would have to be proclaimed as those of a genius.

What I would like to deal with, Mr. Speaker, is the resolution addressed to the government urging it to act immediately by way of the exceptional powers which are found in the statutes and whose existence nobody in this House will deny, of course.

It is to this subject that I would like to devote most of my time tonight because this haste to tell the government: Cancel, suspend, rescind or modify this decision which you hardly had time to read, seems most suspect to say the least.

In this House and in this Parliament we have a tradition of which I would like to remind hon. members. The opposition has unduly often reminded us of this tradition over the few years I have been there. This tradition, which is the expression of Parliament's will, consists in requiring from the executive power that it respect the independance of constituted bodies, especially quasi-judicial bodies.

I say "especially" because the opposition has always been extremely touchy in the area of executive power interference even with bodies not of quasi-judicial nature. For instance, I am thinking about the charges or suspicions which have been expressed more than once when someone feared or pretended to fear that the government had tried to interfere with the decisions of the Canadian Broadcasting Corporation, for instance, of the Canadian Radio-Television Commission or even of the Art Council.

The opposition has always shown paradoxical positions. On the one hand, they ask questions and urge the government to act, as the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) just did. They blame the government for its lack of action one and a half working days after the decision has been published and, on the other hand, with this splendid paradoxical position, if the government is so unfortunate as to voice one single critic against quasi-judicial bodies, similar clamours arise from the opposition but this time in a reverse direction. They then tell the executive: Hands off; those are bodies whose freedom is extremely dear to this Parliament, whose independance has been established by Parliament and the government should not tamper with it.

[Mr. Beaudoin.]

I am surprised to hear shouting from that corner—I do not know where it came from exactly—because when I think, for example, about the protests at the slightest suspicion or at the least indication of governmental intervention in the administration of the Canada Council or the CBC, it is certainly, and I congratulate them, our friends from the New Democratic Party who tried the hardest to prevent an action of this type.

[*English*]

An hon. Member: You are throwing in a lot of red herrings.

[*Translation*]

Mr. Pelletier (Hochelaga): I do not know what the hon. member wants with his red herrings, Mr. Speaker, but if he only came back from fishing, we might go on with the discussion.

Actually, at the CRTC, for example—and I want to make it very clear—even though the government is authorized to issue guidelines to that agency, within certain limits set out in the act, to my knowledge, in four years and a half to five years it has done so only four times and those guidelines were all likely to gain the support of all members.

The first guideline, it will be remembered, was designed to bring back to Canada certain radio and television stations, and cablevision companies.

The purpose of the second was to force cablevision companies to reserve a channel for educational television and another for community television.

The third as applied to educational television, gave the provinces authority, if they themselves were creating independent corporations for this purpose, to hold broadcasting licences.

• (2050)

I am convinced that this tradition, this respect for the independence of commissions having quasi-legal status, for independent agencies created by this Parliament, is one from which Parliament has no intention to depart.

I shall now come to the second part of my argument to show hon. members how irregular it would be to force the government, and for the government to accept this constraint, to suspend, alter or reverse, a day and a half after its release, a decision following almost a month of public hearings and a month of deliberation by the Commission itself. And apparently we are being asked tonight to take, in two or three days, a decision which is *per se*, and I emphasize this point, an exceptional one. Because of course, upon reading the Act which contains the section which the hon. member for York South (Mr. Lewis) read out a little while ago, it can be seen that this Act provides for very general acceptance, without amendment, of the Commission's decisions.

This power of the executive to suspend, amend or rescind decisions is obviously exceptional.

As I said this afternoon, when answering a question by the hon. member for York South, it would be quite unusual for the executive to use these powers unless such an intervention is justified by a very serious reason. I gave two examples which to me would be reasons—

[*English*]

Mr. Alexander: Give us some examples.

Mr. Pelletier (Hochelaga): I gave some today during the question period. I will repeat them for the hon. member, as it seems they need repeating.

Mr. Alexander: Thank you.

Mr. Benjamin: The minister is chicken.

[*Translation*]

Mr. Pelletier (Hochelaga): First I gave the example of a decision which would mainly be based on an obviously false principle and, second that of a decision which would obviously be based on inaccurate facts or serious falsehoods.

Those are but two examples among many others. There might be other reasons as I said this afternoon during the oral questions period. I do not reject a government intervention, but I want to stress the point that it would not be made without very serious reasons. According to a practice in the Communications Department that has been going on ever since the department itself has been established, as soon as a decision is published, it is submitted to the high officials and advisors of the department so that it can be considered at length. They report to the minister who, although he may accept or reject their advice, must hear from them before rendering his decision: he must be aware of the pros and cons which could make the executive power, the governor in council act directly, use its reserved powers. This is a matter of routine.

Such a practice, I repeat, was resorted to as soon as the department was established and this is the first thing I did myself as soon as the ruling being considered tonight was published.

It would be irregular, I think, to expect such a study to be completed within a day and a half, within two, three or maybe five days, in view of the long process which enabled the Commission itself to reach the ruling that is the subject-matter of this resolution.

Such interference, as I said, constitutes an exceptional measure and there should be serious reasons for invoking powers reserved to the cabinet.

The hon. member for York South (Mr. Lewis) said in his statement that the CTC "was not equipped" to discharge the responsibilities entrusted to it. Mr. Speaker, the truth is—and the government probably knew it before being told by the opposition—that the circumstances have changed faster than the Commission could transform itself. And I should like to refer the hon. members who did not read it, to page 26 of the Green Book I had the honour of tabling recently in the House. The hon. members will realize that the government is quite aware of the problem to which the hon. member for York South referred, and that it is now clearly considering in that Green Book a reorganization of the Telecommunications Section of the CTC.

Incidentally, I should also like to tell the hon. member for Egmont (Mr. MacDonald) who, during the question period today, proposed that consumers should get help from the government, under some form or other, to submit their claims and make their case before the CTC, that if he refers to page 14 of the Green Book, he will see that this possibility is actually being considered. In fact, we are saying, and I quote:

> The Government is accordingly considering a number of suggestions with regard to the representation of consumer interests when licensing and regulatory matters are being dealt with by the Minister of Communications and the federal regulatory bodies.

Therefore, in the government, we are quite aware of the fact that some changes are urgently needed in that respect, and Mr. Speaker, I should like to give the House the assurance that after having conducting the consultations called for by the Green Book, we intend to act and to act with determination and haste, in order to take the corrective measures required in a situation that we have fully looked into.

Finally, Mr. Speaker, here is the last point that I want to deal with. A short while ago when I talked of cancelling or changing a decision I heard someone: It is only a matter of suspension. So I think that the suspension—again I do not exclude the possibility of the government eventually taking this decision or of being myself compelled, once an analysis has been made by my department, to recommend to the government such a measure—of a decision by the Canadian Transport Commission already constitutes a kind of judgment made on the validity of the decision itself. And I was concerned, for instance, when I heard the hon. member for York South state positively that "the Board has been intimidated". He was certainly not making it easy for us to accept a suggestion that is his own, because after this charge has been made in such a positive manner, if we were going to suspend the decision we would now seem to admit that the Commission has been intimidated.

[*English*]

Mr. Deputy Speaker: Order, please. This completes the round of 15-minute speakers. There are 14 members on the list who are to speak for the next 120 minutes, each of whom shall not speak for more than 10 minutes.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, as I suggested in my supplementary question to the Prime Minister (Mr. Trudeau) earlier today, the motion before the House raises the ghosts of the past. This evening's debate has been held before. What is being said in the present debate is almost a repetition of what was said in the debates of 1966 and 1967 on the setting up of the Canadian Transport Commission. At that time, members of all parties worked together in this House as members of all parties have never before worked to produce the national transportation bill and to remove from the control of Parliament over 40 per cent of the economy of this nation. The House put that power into the hands of a commission, known as the Canadian Transport Commission, in the interests of efficiency in the running of this country.

In that debate those of us who were concerned about this tremendous transfer of power to the board issued warning after warning, as can be found in the speech of the hon. member for Peace River (Mr. Baldwin) of December 12, 1966, and again in the speech of the hon. member for Peace River as well as in my own speech delivered on

January 12, 1967. All the things I want to say tonight can be found in *Hansard* for those two days. What warning did we issue? We warned that one of the great dangers in turning all this tremendous power over to a board would be the risk of the acceptance of a principle of infallibility by this board that we had seen demonstrated in the Canadian Broadcasting Corporation, other boards, commissions and Crown corporations in this country. Those warnings of 1966-67 have come home to roost in this debate on the decision of the Canadian Transport Commission on the Bell rates.

• (2100)

It is absolutely impossible for the ordinary layman to be able to comprehend the technical aspects of a rate hearing and make his views known before the board on such matters. If you think there is difficulty in connection with Bell rate applications, think how difficult it is to understand the applications that will come from the railways in the years ahead.

Let me tell the House a little story based on the experience of 10 years ago in the MacPherson Royal Commission. One of the railway companies, Canadian Pacific Railways, has a study prepared on moving grain out of western Canada into the export market. Since there were no experts in Canada able to do this, they went to New York and got a reputable group of accountants to produce this study. The study showed that the railway operated at a tremendous loss in 1958 in the hauling of western grain to market. This alarmed the western governments and wheat selling organizations in the west. They hired another group of experts from New York, equally reputable, to study the same figures. They proved conclusively, with the same figures, that this railway had made money carrying this grain to market. The royal commission had two reports before it, so they hired another group of experts, also from New York, to study the two reports. The third group published a volume three and one half inches in depth called the Third Volume of the MacPherson Report analysing these reports. They finally concluded there was a slight profit in the moving of grain.

This story is told for a purpose, mainly that the technical aspects of rate setting are beyond the comprehension of an ordinary person. Realizing this is 1966 and 1967, the hon. member for Peace River moved an amendment. This amendment laid down the best structure we could suggest for setting up a statutory committee, not under the control of the cabinet or the Prime Minister, but under the control of this House. The minute the House met, the statutory committee was to meet. This committee would have had at its disposal competent advisers who could cope with and examine the reports, provide us with a window on these hearings and translate them into language the laymen in the House of Commons could understand.

That amendment was turned down in 1967 and turned down in a committee vote. Every member of the Liberal government of that day voted against the amendment. Every member of the New Democratic Party also voted against it on the grounds that we should turn over complete power to these boards or Crown corporations and give them the power of infallibility. The first chairman was the Hon. Mr. Pickersgill, "Slick Pick". The next chairman is a Buddha called Benson. Do we have to get down on our knees and say that this board is infallible? I have known these men for 25 years. They are just as awkward and stupid as I am, and they make just as many mistakes. When the Prime Minister stood up in this House today and said that this board was set up to handle all these things, he not only let down the power of parliament to have some say over such an important segment of our community and our economy, he abdicated his right as the head of a government to have some say.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): My seatmate, the right hon. member for Prince Albert (Mr. Diefenbaker), pressed home the point this afternoon. I wish to quote from the act which was quoted by the hon. member for St. John's East (Mr. McGrath). The act in question which guides this group called the Canadian Transport Commission states:

> The Governor in Council may at any time, in his discretion, either upon petition of any party, person or company interested, or of his own motion, and without any petition or application, vary or rescind any order, decision, rule or regulation of the Commission.

It is bad enough having parliament removed from the scene with no sophisticated committee able to handle these technical matters, but just imagine the position of the ordinary citizen of Canada appearing before a board on technical matters which are beyond the comprehension of almost every person in Canada, except the technically qualified men in accounting at this level. He has no chance at all. When I heard the Prime Minister today abdicating the right of parliament, I realized this was a complete acceptance of the principle of infallibility of government boards.

In my speech of 1967, I stated that I did not blame people who are socialistically oriented and believe in this sort of nonsense; that is their right. However, I believe that a government which calls itself Liberal should know better. A Tory who knows something about the defence of the human race should certainly know better. Our party voted to give and maintain some power for this House of Commons.

Infallibility of government boards? The Prime Minister is as bad as the Minister of Justice (Mr. Lang), who last Friday over a television station in Regina and Saskatoon enunciated the same principle about the Canadian Wheat Board. Once you appoint these men to the board, they achieve infallibility. Even Pope John gave up the notion of infallibility 20 years ago. Here we have a government that accepts no responsibility.

I close my remarks by saying that what we are hearing here is a doctrine of elitism. We have in power a government, supported by a party on this side of the House, that believes it is perfectly right and proper for the representatives of the people to turn their power over to boards and give them complete power and right over our fortunes ever after. Elitism, infallibility or whatever you call it, it is not democracy. It is not democratic government in a modern corporate state like the one in which we live.

Some hon. Members: Hear, hear!

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, while I do not agree with all the rhetoric of the hon. member for York South (Mr. Lewis), I do find myself in substantial agreement with the general thrust of his argument. It must be said the proposal that the federal cabinet should reconsider and perhaps over-rule the decision of the Canadian Transport Commission is not an easy one to make. It may be argued, for example, that it is an independent tribunal set up specifically to make the kind of decision it has made. It has the staff, expertise and jurisdiction to do just what it has done.

The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) has just given us a very good demonstration of why boards such as this need independence. They need protection from the rantings of Members of Parliament who would interfere with these boards every time they disagree with a decision.

• (2110)

Mr. Alexander: Let the public suffer.

Mr. MacGuigan: It is not a question of infallibility. It is a question of independence. I must say that after hearing the previous speaker I should hate to entrust any of our agencies or our courts to the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). We must jealously guard the independence of federal agencies.

Mr. Alexander: While they are shafting the people.

Mr. MacGuigan: At the same time, we must bear in mind, of course, that the government has the ability to reverse the ruling of such a Commission. Provision for this is made in the legislation and it is open to the cabinet to act in such a case. In my view this is a case in which the cabinet should assume its responsibility and reconsider the matter.

If I understand the resolution correctly, it asks that the cabinet suspend the decision of the CTC while it is reconsidering the question. But the resolution does not prejudge the decision which the cabinet might make in its consideration of the matter in accordance with the resolution. In those terms, I completely agree with the resolution.

Mr. Knowles (Winnipeg North Centre): Well, that's one. Now, what about the other?

Mr. MacGuigan: The resolution is not a criticism of the CTC. I believe all members of the House would like to repudiate some of the remarks made by the hon. member for Qu'Appelle-Moose Mountain. The question here is the possibility of reconsideration on broader grounds of the decision the CTC has made. It is precisely because the CTC is limited by its statute in terms of what it can do that the problem to which the motion addresses itself has arisen.

The problem is in fact larger than the problem immediately at hand. First, there is the unfortunate inadequacy of the structure, inasmuch as jurisdiction over both transportation and communications has been joined in one regulatory body.

Bell Canada

At the time Canada came into being, the distinction between communications and transportation was scarcely realized. Certainly, it was not clearly realized.

An hon. Member: There is no difference.

Mr. MacGuigan: The only reference to communications as a distinct subject in the British North America Act is in section 92(10)(a) in the mention of telegraphs. The other words in that subsection refer to "works and undertakings connecting a province with other provinces or extending beyond the limits of a province." It was to bring it under this category of "works and undertakings" that the act incorporating the Bell Telephone Company in 1880 was amended by a statute of 1882. In section 4 of that statute it was stated:

> The said act of incorporation is hereby amended and the works thereunder authorized are hereby declared to be for the general advantage of Canada.

It was only under this type of provision in our constitution that federal regulatory jurisdiction over what we now consider to be distinctively communications began to emerge. Subsequently, with the decision of the Privy Council in the radio reference of 1932, it was recognized that here was a new field of regulation, and not long after that radio, and then television, began to be separately regulated. Telegraphs and telephones were left where they had begun, in the field of transportation, and I suggest this is no longer satisfactory in the year 1973.

The second inadequacy is a consequence of the first, and is an inadequacy in the terms of reference. The Railway Act stipulates that the Transport Commission regulate federally-chartered telecommunications common carriers and approve all rates for public and private wire communications. The type of regulation envisaged by this act is set out in section 321 (1):

> All tolls shall be just and reasonable and shall always, under substantially similar circumstances and conditions with respect to all traffic of the same description carried over the same route, be charged equally to all persons at the same rate.

Mr. Speaker, these are not sufficient grounds of consideration today when we must respond to the type of request which is continually being placed before the Commission by Bell Canada. I should like again to draw the attention of the House to the fact that the minister, in a green paper, has himself suggested that a new body should be set up, one which we migh call a Canadian Communications Commission. This would separate, once and for all, the regulation of communications from the regulation of transportation.

An hon. Member: And how would that help?

Mr. MacGuigan: It would have authority over all matters involving communication. This would leave us in a much better situation because all issues affecting communications would be dealt with together, and the regulatory body would be able to develop expertise in that particular field. The terms of reference drawn up for that Commission should, of course, be sufficiently broad as to enable it to take into account much wider considerations, when considering applications for rate increases, than is now permitted.

The third inadequacy is the lack of procedures for opposition. I have among my constituents some who would have liked to oppose the application made by the Bell Telephone Company. But the fact that the hearings were being held in Ottawa would have made their appearance very inconvenient and expensive. I understand, also, that the proceedings at pre-hearing conferences were not made available free to intervenors, and this, too, would constitute a financial hardship. In this respect, there is a proposal in the green paper which should be adopted as soon as possible. It reads, and I quote from page 14:

> The complexity of the subject and the contingent requirement for highly specialized legal and economic skills have inhibited individuals and groups from appearing before the regulatory board to press their views. The government is accordingly considering a number of suggestions with regard to the representation of consumer interests when licensing and regulatory matters are being dealt with by the Minister of Communications and the federal regulatory bodies.

There is surely a need in this area which must be met speedily by the government. Such a body could also act as an appeal board to consider representations from aggrieved users of the telecommunications system.

In sum, the point is not so much that the decision of the CTC is wrong as that it does not appear to the public that the decision has been made by the most appropriate body, nor does it appear that it has been made in accordance with procedures which allow for sufficient public participation. Just or not, the decision has not been seen to be just.

Perhaps the present problem will force us speedily to adopt the proposals which the minister has placed before us in the green paper.

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, in the past several weeks the Minister of Communications (Mr. Pelletier) has on several occasions been asked to intervene in the Bell Canada rate hearings on behalf of the public interest and the minister has consistently refused to do so on the ground that the cabinet had the power to disallow a decision of the CTC. It is on this basis that our party is asking the government not to permit the rate increase to be proceeded with pending a thorough review by the cabinet, a review which the minister has already acknowledged lies within the power of the administration.

The minister laid considerable stress this evening upon the fact that the Bell judgment had only been made public at the end of last week. Mr. Speaker, it does not take more than a few moments to recognize that there is considerable public dissatisfaction with the judgment, and it does not need much imagination to undertake to suspend the effects of that judgment until a review can be carried out. I submit that the arguments put forward by the minister do not detract in any way from the force of the representations and requests made by members of this party.

I was more impressed by some of the arguments put forward by the parliamentary secretary. Extracts have been quoted from the green paper on communications policy. I, too, wish to quote from this document. On page nine we find the following:

> Equally important is the fact that efficient low-cost telephone service has come to be looked on as a necessity of life for individual members of the public.

[Mr. MacGuigan.]

I suggest that this paragraph might well serve as a theme for the debate tonight. What we are concerned with tonight is trying to debate whether such an efficient, low cost service is being provided to the public by Bell Canada; and if there is any doubt about the matter, we say that the cabinet should intervene, make an assessment on behalf of the public and arrive at an objective judgment which, in the words of the parliamentary secretary, may be seen to be just.

• (2120)

If one compares the rates of Bell Canada with those of, say, telephone companies in other provinces—I refer particularly to the western provinces—one will discover in virtually every case Bell rates are substantially higher at the present time despite the fact, one might assume, that Bell enjoys economies of scales which other telephone companies do not. For that reason I suggest there is serious doubt as to whether Bell is offering the kind of low cost, efficient telephone service which the government itself recognizes as a necessity for individual Canadians.

I think what is at issue in this debate, Mr. Speaker, is the ability, or the willingness, of the transport commission to represent the public interest in the hearings which have taken place over a number of years. I think it is instructive to recall that Bell Canada has frequently made application for rate increases down through the years, and the fact is that on no occasion, in all its appearances before the Canadian Transport Commission, has Bell Canada been refused an over-all increase in the rates it charges the public; this in spite of the fact that in its early years Bell exceeded the permissive level of earnings set by the board. I suggest that because of this, in very real measure the transport commission has lost the confidence of the public to act in what it believes to be its best interests.

Moreover, it was frequently recorded during past months that the complexity of the argument which only Bell, I submit, really understood, which Bell designed and which took place on Bell's terms, prevented most if not all of the intervenors being able to make their case satisfactorily. I submit that even the governments of the provinces of Ontario and Quebec publicly conceded that they were unable to present the kind of evidence and to marshall the kind of resources, with the time at their disposal, that would enable them to counter the deep and complex financial rationalizations being put forward by Bell Canada.

Furthermore, Mr. Speaker, the methods of proceeding under which the commission conducts the hearings into Bell Canada applications appear to be designed, as the parliamentary secretary admits, to encourage non-participation on the part of individuals and organized groups alike. What was intended as a quasi-judicial regulatory agency has become, in reality, the playground of the legal profession.

Mr. Speaker, on a number of occasions, through the minister and directly to the commission, requests were made for the commission to facilitate intervention and an expression of opinion by the public. But the commission would not undertake to hold hearings outside the city of

Ottawa and, as has already been admitted, many individuals and groups simply were unable to afford the time or the financial resources to appear to present their case.

I submit, Mr. Speaker, that the public interest was, in large measure, not represented by any agency of this government or this parliament before the hearings of the CTC. It was left—I think this is a matter of regret for members to note—to the governments of the provinces of Ontario and Quebec, with such resources and time as they had at their disposal, to represent the public interest.

There have been a number of quotations from the green paper to the effect that the government will be proposing a new regulatory agency to deal with these applications in the future. I submit to this House that the fact that such proposals are being made underlines the weakness of the kind of scrutiny which the CTC has in the past been able to bring to bear upon these applications. If, in fact, the CTC was doing the job properly there would be no need for the minister to stand before us and say, "We are making some changes in the near future." I submit those changes cannot be allowed to take place some months hence. The reasons which gave rise to the need for changes should be brought to bear upon the current applications, for the same reasons as those for which the government now concedes reform is necessary in regulating rate increases of public utilities. For those reasons the cabinet should now undertake to bring scrutiny to bear upon the Bell rate increases. Therefore, I submit that the government's own arguments, couched in its proposals for a new communications policy, in themselves cast doubt upon the commission's ability to adjudicate fairly, objectively and in the public interest the application presented by Bell.

Mr. Speaker, this is, I concede, a complicated subject. One could for some time quote figures in support of one's case. But this is not the time nor the place to repeat all the technical arguments. The point is this: however successfully Bell may have mesmerized the transport commission, its case before the Canadian public has not been proven. Putting it charitably, there exists serious doubt that the rate increases are justified.

I hope that the government takes seriously its responsibility to represent and defend the public interest, as I submit the commission has failed to do. This is a time of mounting and justifiable anxiety about price increases in Canada. In the circumstances, the government is surely obliged to suspend, at least, the implementation of these rate increases pending a thorough review. That review, Mr. Speaker, must place the public interest ahead of Bell Canada's interests. If this happens, I am confident that the government can come to no conclusion other than that the rate increases must not and shall not be proceeded with.

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, due to the exclusive monopoly exercised by Bell Canada in Quebec, that province is particularly and severely affected by the rate increase as a result of the fourth application since 1969. This increase soon gave rise to a reaction among Quebecers followed by general dissatisfaction, especially in certain groups affected such as senior citizens, disabled persons, the poor and the tenants. Consequently, I feel it is my duty to speak during a few minutes on the motion of the hon. member for York South (Mr. Lewis).

I admit that I am convinced that the cause we are pleading is justified, but when I realized that I was supporting the hon. member for York South, I was somewhat reluctant. I wondered whether I actually was on the right side. But when I found out, after reading his motion, that this would not result in a blame or a non-confidence motion, then, I understood why the hon. member for York South could criticize Bell Canada cheerfully and bravely, with honour and vigour, casually chide the government, because the latter will not be defeated as a result of this debate.

Mr. Speaker, I have no intention of using the same language as the hon. member for York South as regards Bell Canada. First of all I would like to clear up a few jurisdictional points and take up again some of the arguments put forward by the Minister of Communications (Mr. Pelletier).

The minister indicated that it was impossible for the government to take action at this time and meet our demand that the judgment made by the CTC be suspended, because the autonomy of these quasi-judicial bodies has to be respected. The minister seemed to be sad and unhappy that we called upon him to intervene. He said: Do not call upon me to interfere.

May I say, Mr. Speaker, that we do not ask the government to intervene in the course of a hearing by a body. We are only urging the government to take action, to prove its leadership and simply suspend a judgment which has already been made. For what purpose? Because it is a matter of common knowledge that all parties must be heard before a court. Well, before this very decision was made, Bell Canada was one of the only parties to be heard. The public at large never had any opportunity of coming before the court, of setting forth their viewpoint, and of stating that in view of the rising cost of living, for instance, it is impossible for them to agree with the increase that the CTC has just approved.

Consequently, it would only be the most elementary justice to suspend this decision for a moment in order to enable the government, the governor in council, to review the case to ensure that justice has really been done, that all aspects have indeed been weighed in the light of the social context because it is clear to everyone that this fourth or fifth increase in rates is socially unacceptable.

This is why the government would not make an error by interpreting with generosity its jurisdiction under the law, to fulfill the wish of all hon. members and to suspend the decision of the commission. Moreover, it is natural that in the final stage the government become the superior court before which the Canadian people can plead their case through hon. members.

Before ordinary courts, one can be assured that justice will be done because there is always a court of appeal and above it the Supreme Court. But here there is no court beyond the decision of the commission except the one of the Governor general in council that Parliament has wanted to establish under the law. I say to the hon. minister that the first argument does not seem to be very

valuable and I answered with the explanations I have just given.

The second argument used by the minister, and without too much conviction, I must admit, nor too much persuasion, was that they would have to make within two or three days an exceptional decision that an independent board or body could have made in two months. But what is extraordinary about that? Courts do that every day. Courts make decisions within 15 minutes whenever injunctions, for instance are required from the Superior Court and are turned down afterwards. An appeal can be lodged immediately with the appeal Court and immediately the judges for the sake of justice, agree to suspend, to stay the ease, until they have had enough time to make a judgment upon the merits in order to prevent any injustice. Here again, I believe the example applies in the case of the government and it would probably be wise for the government to accept at this time to stay the decision pending further consideration. That is not to prejudge in any way the final decision and neither to criticizing the one that was made. It is simply to show broad-mindedness and wait so that better justice be done to Canadian citizens.

Concluding his speech, the minister said: but there should be a serious reason for me to act. That serious reason, Mr. Speaker, I suggest that it lies in that request for an increase in rates that was granted, which is socially unacceptable and comes as a coicidence—which is quite revealing—at a time when a House committee on the cost of living had to make public a majority report in which they recommended the setting up of a commission to control the cost of living. And in the minority report, we told the government to go further and to implement, among other things an immediate price and wage freeze.

That is an indication that it is not a mere coincidence that this motion is being debated in this House; it is because at the present time the great concern is about the cost of living which has gone beyond bounds, and that concern cannot be allowed to continue. The government must bring in measures and show it is capable of making decisions. That is what we are asking of the government now, and we take the opportunity offered by this debate to say to the government: Set the minds of the people of Canada at rest and as far as this decision is concerned, which must necessarily be of an inflationary nature, postpone it for a while. When you have examined it in depth, when you have allowed the people of Canada to express their views, you may decide as you see fit. But take a decision right now.

Mr. Speaker, now that I have answered some of the arguments made by the Minister of Communications I would like to conclude by saying first of all that Bell Canada deserves to be congratulated. That company undoubtedly deserves it. For years it has succeeded in developing its means of research, showed a sound administration practice made progress in marketing and other fields and that is why that company is recognized throughout the world as a model. We must congratulate Bell for that. But congratulating it does not mean that it is always right. And we submit that in this case it is not right. We submit that the record indicates very clearly that its need for expansion and its quest for reinvestment

[Mr. Wagner.]

are not warranted in the present economic and social context and if that company is not right in this regard we urge the government to be logical and decide on the basis of the general context of the Canadian economy. That increase in rates granted to Bell Canada will become more and more generalized in other fields and will thus become dramatic. The cost of living will become too heavy a burden for the underpriviledged and for middle class people who are too often forgotten.

The Acting Speaker (Mr. Laniel): Order. I am sorry to have to interrupt the hon. member but his time has now expired.

• (2140)

Miss Monique Bégin (Saint-Michel): Mr. Speaker, may I first of all be permitted to correct at least one point of the remarks of the hon. member for Saint-Hyacinthe (Mr. Wagner). To tell the truth, I was somewhat at a loss to understand whether he was for or against but I noticed that he based his first argument on an assertion which I believe to be wrong. He mentioned the lack of participation of ordinary citizens, of intermediary bodies, of anyone other than Bell Canada representatives, at the public hearings held from January 10 to February 16 last whereas, to my knowledge, the number of representations made at that public hearing is the greatest the company has ever received.

Having said that, I was most interested in some of the problems outlined by my colleagues, without going into details, and for good reasons. I believe, for instance, that there are highly specialized technical problems involved. I am thinking of the legal problems, notably the precise nature of the CTC's relations with the cabinet and with Parliament, and the problems of taxation, such as the reviewing of the concept of deferred taxation and its implementation. I am also thinking of administrative problems, such as the quality and quantity of personnel in the Canadian Transport Commission or the administrative plan for the running of the Commission.

For my part, I do not mean to speak on these points, which have already been commented on in outline. I intend to give voice to some more general considerations, for the good reason that since the Commission's decision was only published on Friday, I have not been able to study the decision, or the complete file, for that matter.

Besides that, it seems clear to me that our role as parliamentarians is rather to suggest ideas or basic principles. Here again, I differ from the previous speaker, the hon. member for Saint-Hyacinthe, for if I understand correctly, we are soon going to be controlling and reviewing all personal and corporative decisions that are made in Canada. This is really not the role I see myself in, or ourselves. My role is to put forth basic principles, and to enlighten the matter to the best of my knowledge, rather than to get carried away from reading press clippings or extracts taken out of context from just one of the briefs submitted at the public hearing last January and February.

I am not concerned, therefore, with reducing the scope of the debate until we are arguing about dotting the i's and crossing the t's, but rather with reflecting in the name

of my constituents on some of the wider aspects of this discussion that affects every family in Canada.

[*English*]

To my way of thinking, it is much too easy to choose a big public corporation such as Bell Canada and make it the villain. That attitude, to me, is by analogy very similar to the one adopted last week by another opposition party which for hours and hours deliberately exploited human misery.

[*Translation*]

Indeed, Mr. Speaker, except for its shareholders, who likes big corporations? Unless I am mistaken, it is not very profitable these days to be a Bell Canada shareholder. Personally, I do not like paying bills any more than you all.

I have many other reasons however, for complaining about Bell Canada. In my riding, and here I refer to a situation in the metropolis of Canada and not in the Arctic, there still are party lines, and not because people have chosen to use them: there are so many other kinds of entertainment in Montreal.

It seems to me that the fundamental problem of maintaining service rates and facing increased costs of corporation debts, versus an increase in subscribers' rates and the cost of equity should be studied exhaustively.

This being said, the fact remains that as far as I know the quality and the variety of the services offered to Canadians by Bell Canada are outstanding.

A little while ago, as I was listening to the honourable member for York South (Mr. Lewis), I wanted to ask him if he remembered the time when he was a student in Paris. Of course I am a generation remote from him, but nevertheless we have certainly encountered the same problems. He must certainly recall the telephone slugs that you have to buy in each restaurant and that cannot even be used in another telephone booth. I am also thinking about the calls you have to make three or four hours before you can get the connection. As to residents, I think about the months and years they must remain on a waiting list before getting a telephone, without mentioning the basic installation cost of some $500 that the ordinary citizen must pay, and all the rest.

It remains that Bell Canada offers one of the best services in the world, at one of the most reasonable and controlled prices in the world. What can we do?

I imagine that a certain party will answer: Nationalize Bell Canada! and I would understand to some extent! Everybody would want the increases that are paid Bell Canada, the increases which I pay, that is the investments that I offer the company would allow us to be come shareholders at least. Perhaps but would that guarantee a better service at lower cost? Certainly hon. members will allow me to doubt it!

In fact, what is the price of something all about? It seems to me that it is the actual number of hours during which the consumer has to work in order to be in a position to obtain goods or services. Certainly, at the present time, I am not sufficiently briefed to supply figures; no one among us really is.

However, I think that we should think about that and see that, all things being equal, the portion of the family budget devoted each month to payment of Bell Canada bills has noticeably diminished as compared with what it was 10 or 15 years ago.

However, some questions remain unanswered. One can wonder whether the parallel is fair between the increases in rates obtained by Bell Canada through last Friday's decision and the increase in the cost of living, whether both are commensurate, if I may say so. One may wonder whether the commission is in a position to study the expansion priorities that Bell Canada has set forth itself.

One can wonder whether the act and regulations governing the Canadian Transport Commission can really allow a clear interpretation of the notion of public interest.

All of those questions appear to me much larger than the sole decision of Friday last, that is, rate increases that are not at all agreeable to us; last night I wrote my cheques to the order of Bell Canada.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, it is surprising to find one of our members so young and attractive, yet so endowed with the principles of "Mother Bell" and tradition that she can see fault in the minor resolution that the leader of the New Democratic Party (Mr. Lewis) brought forward today. Obviously, the Canadian people are thinking about nationalization and government control not only of Bell but of all the other telephone companies and communications media in Canada.

• (2150)

It is no longer an advantage to have a telephone; it is a downright necessity, an essential part of life. I would suggest to some of those who question whether the CTC has made the proper judgment to consider the fact that an announcement will be made of the payment in April of a quarterly dividend which will be increased to 71 cents a share. The annual rate will be $2.85 cents a share. Previously, Bell telephone paid three quarterly dividends of 66 cents and one dividend of 67 cents, for an annual rate of $2.65 a share.

What they asked for when they came before the CTC was the right to raise enough money to make an expenditure of $590 million. Leaving aside the fact that they paid this dividend, their shareholders were not too enthusiastic about the stock. As I said, last year they paid a dividend of $2.65. However, the interesting thing is that all they are going to ask for in the financial markets is an additional $200 million in order to raise the $590 million they say is necessary for construction.

Do the members of this House not know what Bell Canada is? Do they not know that they own many subsidiaries in other fields which are also involved in the decision to allow an increase in rates for the service so the corporation can continue to build an empire which is not only in the telephone field? To the best of my knowledge, Northern Electric is still a wholly-owned subsidiary of Bell. It is interesting to note that at no time was the Canadian Transport Commission able to separate what

Bell telephone was making from its own operations, and what they were making from Northern Electric; what they were bleeding off into Northern and how they were making their sales. The CTC spent years trying to find that out, but to my knowledge they have never been able to do so.

I am sure that the CTC is much less competent than was the old board of transport commissioners. It is interesting, however, that Bell telephone also owns other subsidiaries, such as Microsystems International, Nevron Industries Company, Northern Electric Distribution, Northern Electric tele-something, which is in Turkey—even the bilingual members of the House would not able to pronounce that name—and Northern Telecom Inc., in Boston, Massachusetts. It also owns 49 per cent of Bell Northern Research and it owns Northern Telephone in northern Ontario and Northern Telephone in northern Quebec. It owns a vast network of telephone systems.

It may be true that Bell telephone has done an excellent job in the telecommunications field, and I would be the first to admit it. But I suggest that this field is important enough to the people so that even the minister, inept as he may be, has suggested that the government proposes to merge the functions of the Canadian Radio-Television Commission with those of the Canadian Transport Commission which apply to telecommunications carriers, subject to federal regulatory authority. Why is that? Obviously, he has suddenly come to the conclusion that the money people pay for telephone service is not all going into producing telephones or bringing the service up to date; much of it is going into non-allied fields.

We should be interested in looking at some of the figures in relation to the rates paid for telephone service. The figures which I can quote were provided in a Canadian Press survey published in the *Gazette* on February 15 of this year. They indicate the monthly basic rates for privately-owned telephones in communities with 5,000 to 10,000 telephones. In Glace Bay, Nova Scotia, the rate is $5.60; in Caraquet, New Brunswick, it is $5.10; in Exeter, Ontario, it is $4.50; in Powell River, British Columbia, it is $4.70. But the government-owned telephone system in Flin Flon, Manitoba, is $3.25. This is only about half the cost in some other communities. In North Battleford, Saskatchewan, unlike Glace Bay where it is $5.60, the rate is $3.45—over $2 less. In Lloydminster, Alberta, it is $3.80. This is the rate for government-owned telephones in Alberta, where I have not heard anybody sound remotely as if they would want to nationalize or socialize any kind of public utility.

Mr. Baldwin: Don't be so sure about that.

Mr. Peters: I am sure that the hon. member for Peace River (Mr. Baldwin) was progressive when he was 30 years younger, and so were the people in that area and they probably did nationalize the service. But I am suggesting it is time we did something about the whole communications system in Canada, and did it now. Every time Bell telephone goes before the government, they present this kind of document. So does Canadian National. Nobody is able to argue against their tariff structure, because nobody understands it. I disagree violently with the parliamentary secretary who says that what we need is another regulatory body to regulate the body which we have set up to regulate the company. Let us quit playing around, take over this company and operate it in the interests of the public.

Some hon. Members: Hear, hear!

Mr. Peters: Few people in Canada today, except for the dinosaurs in political thought, believe that in a monopolistic, public utility company there should be no government ownership or no government control. Our telephone systems now are satellites and are connected through microwave systems to people in every part of the world. It seems to me that this is a sufficiently important segment of our economy to be brought under the control of the people.

It may be that if we are to maintain the standard that we have maintained in telephone communications, not only in Bell telephone but in other telephone systems in Canada—and there are 30 to 40 such systems—we will have to pay more. As the hon. member for Saint-Hyacinthe (Mr. Wagner) said, the cost of living is going up and therefore it is reasonable to expect telephone rates to go up also. But if that is so, at least let us ensure, on behalf of the individual who is paying the bill, that he is getting the most for his money and that he knows to what other uses his money is being put.

Therefore, I suggest that we do not need another "senate" to look after the "senate" that we have created in the CTC, where we put tired, worn-out or defeated politicians. We need to establish a Crown corporation which will operate our public utility from coast to coast to ensure that not only is it the best possible but that service can be provided to every part of the country through our communications media whether radio, television, telephone or any new developments that take place. That will happen at a cost the people can afford only if we do it publicly, and if we do it all across the country by uniting Bell telephone with all the other systems in Canada, making it a government-operated Crown corporation in the monopoly, public utility field.

• (2200)

[*Translation*]

Mr. Blais: Mr. Speaker, will the hon. member allow me a question?

The Acting Speaker (Mr. Laniel): Order, please. I must point out to the hon. member that the time of the hon. member for Timiskaming (Mr. Peters) having expired, he cannot be asked questions unless there is unanimous consent, and I would be surprised if the House agreed.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, it seems to me we could sum up the very excellent speech of the hon. member for Timiskaming (Mr. Peters) by saying that the essence of it was that the bell tolls for Bell, if he could have his way. It is fascinating, however, to recall that the President of the Canadian Transport Commission, who actually sat on this particular hearing, is the same distinguished gentleman who, as minister of finance, started the inflationary spiral in this country, or at least did more than any other minister of finance to keep it going. How-

ever, we now find him, as president of this commission, still pouring oil to fuel the fires of inflation. We are concerned about this. We are very concerned about it. We have shown our concern in our discussions, speeches and questions.

Just today I asked the Prime Minister (Mr. Trudeau) what I thought was a very reasonable question. I asked him if he would make a statement on motions as to whether or not the Minister of Agriculture (Mr. Whelan) was stating government policy when he indicated that in his view only the provincial governments had the authority and the jurisdiction to do anything about instituting a freeze or controls on prices. I asked the Prime Minister also if in his statement on motions he would say what, in his opinion, would be an emergency which would prompt the government to act. All we got was a smart-aleck reply, saying that this was asking for a legal opinion. I was not asking him for a legal opinion. If I wanted a legal opinion I would go to a man who knows the law. I would not go to the Prime Minister. I would not go to anybody over there on the other side. In fact I would call them, as we used to call a judge in our county, Judge Necessity. He was called that because we all know how much law necessity knows.

What worries me is the futility of this proceeding today. Here we are with a serious problem facing millions of people in this country and we cannot do anything about it. I give credit to the hon. member for York South (Mr. Lewis) for instituting this proceeding so that we can at least do a little talking about it. But this is the House of Commons, this is parliament, and we should have the right to come here and indicate by a recorded vote what we think about the situation.

We are deprived of that opportunity. Why are we deprived of it? It is because hon. gentlemen opposite, or their predecessors, combined with my hon. friends to my left and voted against the amendment to which the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) referred, by means of which we attempted to reserve to the House of Commons some overseeing role with regard to issues of this kind. I can recall that when speaking on behalf of that motion I said, as reported on page 11392 of *Hansard* for December 20, 1966:

> The scope of this act—

That is the National Transportation Act.

> —is enormous, and equally vast will be the overriding supervisory authority of the transport commission. Let there be no doubt that if this bill is passed without any material change we shall have surrendered to those men who will compose the commission almost complete authority over a variety of subject matters in the field of transportation which so deeply affects every Canadian and every part of Canada.

It was on that basis that we pursued our course in this debate. The motion was put. The hon. Mr. Pickersgill, at that time the minister in charge of the bill, said the motion had some merit, but, that there were reasons why he did not want to vote for it. The then hon. member for Selkirk, now the Premier of Manitoba, spoke in that debate before the supper hour and said he would support the motion. But obviously, as a young member, he was called by his party leader and told the facts of life. He came back to the chamber after supper and said he would not support the motion. When it was put to a vote members of the party opposite and the socialists to my left voted against it, and it was not passed.

If it had been passed there would now be in existence a committee in this parliament charged with the responsibility of scrutinizing the decisions of boards of this kind, and more specifically a decision of this kind. I do not expect, I do not want and I do not believe, that parliament can get into the detail of the decision making process, but when parliament does as it has been doing, to my sadness over the years, gradually divesting itself of all authority to check, challenge and scrutinize the actions of these boards, then, Sir, when motions of this kind come before the House I must recall the sad mistake in judgment made by my hon. friends to my left.

The hon. member for Timiskaming finished his speech by saying, let us create another Crown corporation. That is the only solution the socialists have—create more bureaucracy, more Crown corporations. The hon. member for Qu'Appelle-Moose Mountain said something about infallibility. The semi-socialists opposite and the socialists to my left seem to believe that all Crown corporations are, in fact, an immaculate conception. I do not believe that. I think they are composed of men and women, dedicated, serious men and women, but that in the final analysis only parliament, and particularly this House, really can deal with the public interest. We may be slow. We may talk too much. You, Mr. Speaker, will probably accept that. We may be clumsy and awkward, but in the final analysis only the House of Commons, elected as it is, has the interests of the people of Canada at heart, and it is for us to make the final decision. That is the problem we face now.

If this motion which I had proposed, and which was referred to by the hon. member for Qu'Appelle-Moose Mountain, had been passed, this committee would now be in existence. We would have been able, by a simple order of the House, to have had the decision of the Canadian Transport Commission referred to that committee for consideration, not in the sense that we would go into all of the technical details but that we, representing the public interest, would have had an opportunity to examine the decision, to call witnesses, and to test the validity, the accuracy and the rightness of the decision. After that, we could have made a report to the House, and the House could have voted on it. The decision of the House would then have been supreme and nobody else, not the CTC and not the government—which isn't a government, which is a Prime Minister surrounded by yes-men—

Mr. Wagner: Not even a Prime Minister.

Mr. Baldwin: As my hon. friend from Saint-Hyacinthe (Mr. Wagner) says—and not too much of a Prime Minister—only the House of Commons would make the final decision. When I see my hon. friends opposite collaborating with the NDP, with the socialists, I know why. They believe in the same thing. They are suspicious of parliament. They are suspicious of the opportunities of the members of this House to express themselves. That is the situation.

I do not like to say this but it is true that all too often, almost weekly, we find this House almost like a bawdy house with the New Democratic Party trying to offer for

sale their virtues and principles. I think this is a sad situation, Mr. Speaker. I suggest that this motion in effect should provide an opportunity for members of the House to express their opinions, not in debate of this kind, but by means of a vote.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I am glad of the chance to say a few words on this motion. Unlike some opposition members, I am going to try and tell the House clearly whether I am for or against this motion, rather than just making the government bear the brunt of a decision with which they had nothing to do.

I think that the purpose of the motion introduced by the member for York South (Mr. Lewis) is in itself quite praiseworthy, inasmuch as he would like the government to look into the Canadian Transport Commission's decision on the matter of Bell Canada's application "A". I agree in principle, and so, I think, do most Canadians.

I think everyone here will agree that this decision came as a surprise to everyone, and to me more then anyone.

No one expected the Canadian Transport Commission to give their approval to over 80 per cent of the contents of application "A" as presented to them by Bell Canada.

And so it is quite understandable that telephone users are concerned—and rightly so, you have to admit—about this decision and about the rate increases which they will have to put up with.

Now, although I agree with the general principle of the motion, I cannot agree with the way it has been drawn up, because it calls for the implementation of the decision to be suspended immediately; that is where I differ from the member for York South. The same member who was telling us just now that the government cannot act now, that the government will need time to consider thoroughly the CTC's decision, is asking us in the same breath, in his motion, to suspend immediately, and therefore blindly, this same decision. This is where I no longer agree with the motion.

The government will surely need several weeks, if not a month—judging by the discussion I had this afternoon with an official—to consider this decision seriously and give a sound ruling. The CTC took two months to give birth to this baby: a month for the hearings and a review of the briefs submitted, and another month *in camera* to study and reach the decision it then announced.

Let us not ask the government, after three days, to rule immediately and to suspend, blindly, without knowing whether they are justified in doing so, the decision of the CTC. To my mind, the government would need at least a month to reach a final decision; and at least a week or a week and a half will be required before the Minister of Communications, (Mr. Pelletier) can advise the House of whatever he intends to do.

Why a month's delay? Because one month will be required if the points under dispute and the heart of the matter are to be dealt with, if a rational decision is to be reached. It is not enough to say, "Costs have gone up, leading to inflation". The points under dispute must be clearly identified and to my mind, there are three of them: the first and most important, is the quality of the service.

We probably have in North America the best telephone communications service in the whole world.

I shall not repeat what the hon. member for Saint-Michel (Miss Bégin) said when she spoke about telephone service in Europe. All those who travel know the low quality of service in continental Europe; they know the waiting periods of an hour or even two hours to put citizens in communication in the same urban center and they know it is sometimes necessary to wait several hours or even till the next day to communicate with someone who lives 100 miles away.

In Canada, we enjoy a service which is far superior to what people have in the other countries. In fact, we can say that there are two kinds of telephone service on earth: the service we have in North America and the one we encounter everywhere else. It is as simple as that.

I think that Canadians have a right to enjoy this service, particularly when one considers that they now get it at a rate which is far cheaper than what European consumers and users pay for a much inferior service. The first disputable point is the quality of service.

The second point, which goes along with the quality of service, is the study of the costs of this service, namely. to see whether the costs are normal for the service the users get. There lies the whole question. It is not simply a matter of saying: prices have increased but of seeing if the increase is warranted, keeping in mind the excellent service we enjoy.

Finally, another point worth studying is the financial situation of Bell Canada. Several hon. members, as a rule those of the New Democratic Party, are always ready to raise a hue and cry on corporations, to say they make too many profits. However, I think that before talking like that, it would be a good thing if the government would seriously examine the financial situation of Bell Canada in order to know if its request for a rate increase is really justified. The government will be able to take realistic and considered measures because if they acted this evening, probably pleasing opposition members, these people would be the first to criticize us in a month or two if it appeared, after a serious study, that the decision of the Canadian Transport Commission was justifiable.

• (2210)

[*English*]

Mr. Alexander: Are you for it, or against it?

Mr. Morgan: Mr. Speaker, I wonder if the hon. member who has the floor would permit a question? Does he not think that if the price increase is not stopped now, Bell will ultimately have to pay much higher costs? Bell would put the increase through its computers. Would it not be more fair to the company and to the government if these increases were suspended until the whole subject had been inquired into? Obviously, the cost to Bell, if this matter is suspended and the increase is rolled back, will be much greater after the increase is processed through the computer.

Mr. Guilbault: Mr. Speaker, I am surprised that the hon. member is taking so much interest in the company. If the company processes the increase in its computer, and if the

government decides that the company must undo what it has done, that is the company's problem. It is asking for the increase. If that increase is not justified, it should suffer for its decision in asking for an increase.

[*Translation*]

Now, Mr. Speaker, may I continue my remarks.

What is wrong with the resolution, in my opinion, is the request for immediate suspension, as I said, of the Canadian Transport Commission decision. I am in favour of suspension after some time, when it is definitely deemed advisable but a suspension based on clearly unsubstantiated representations of the opposition would seem absurd and unrealistic.

No opposition speaker has mentioned quality or cost of services; none mentioned the various points in support of Bell Canada's application "A". Of course, the case has just become public, and opposition members know no more about it than the government does at this time. Actually, what is the opposition trying to achieve tonight? The purpose is to bring up the subject of inflation in an effort to convince citizens that the government will be responsible for price increases. The hon. member for Peace River (Mr. Baldwin) told us earlier that Mr. Benson, the present Chairman of the Canadian Transport Commission, started spiraling inflation and is attempting to perpetuate it through this decision rendered by the Commission. As for the hon. member for Saint-Hyacinthe (Mr. Wagner), he was dissatisfied because the New Democratic Party did not word the motion to blame the government. Come on now! To condemn this government for a decision rendered not by it but by an independent body is not reasonable.

What they are trying to do tonight is to accuse the government and blame it for this increase, while everybody realizes that this does not make sense. In fact, they seem to be playing political games with this and finally, all that they manage to do, on either side of the House, is to express doubts as to the merits of a decision made by the Canadian Transport Commission. In fact, I understand that doubts may be felt, but let them not ask the government to act immediately on the basis of a doubt. They must realize that this government must take a few days or weeks in order to make a serious decision. I do not think that the people expect a responsible government to show less seriousness. And any government that would act on the basis of a doubt would not enjoy the confidence of the people.

This is why I recommend to this government to take all the time required in order to review the decision of the Canadian Transport Commission.

[*English*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, it seems to me that the motion before us is most appropriate. I agree however with the remarks made by the minister a moment ago, because I feel that they are very reasonable. It is true that a very short time has elapsed since the decision was announced. But I realize also that the decision must be brought to the attention of the government.

I am satisfied that the government will take the necessary steps to examine the reasons which have incited an hon. member to introduce this motion and the points which have been made in support of it. I will merely quote two excerpts of briefs presented by two very representative bodies to the Canadian Transport Commission. First, here are the views of the Canadian Labour Congress:

> The Canadian Labour Congress welcomes this opportunity to submit its objections to the last request made by Bell Canada in its application "A" for the approval of its proposed adjustments in its rates related to services, equipment and facilities. Such application, if it were agreed to, would bring to this company, as estimated by itself, additional revenues amounting to $36 million for 1973 . . . We wish however to point out from the outset that the Congress is speaking on behalf of a much wider sector of the population since its concern is not limited to the narrow scope of the union movement. Rather our brief is expressing the frustration and the discontent caused by Bell's off-hand attitude towards individuals and groups, and which have been conveyed to the Congress through letters and private communications. In brief, we are not only the spokesmen of the Congress members in these regions, but we are also quite concerned that the proposed increases will cause additional hardships for the aged, the disabled, the unemployed, pensioners on fixed income and low income people . . .

I for one am convinced that the CLC officials did not try to exploit human misery, no more than the hon. member for Saint-Hyacinthe earlier when he suggested that those people will suffer as a consequence of the increases authorized by the Canadian Transport Commission.

When we mention the serious situation of underprivileged people, I am a little tired of hearing some hon. members accusing us of trying to make cheap political gains and of politicking. I hope this will be taken into account in the future.

• (2220)

At any rate, this is what the CLC thinks—and here I call the attention of the minister upon this so that the government can see whether there was abuse or not and I quote:

> During the period from 1958 to the mid-sixties, Bell Canada exceeded the level of earnings allowed by the former Transport Commission. Expressed in actual money earnings, the excess of profits that Bell Canada illegally drew out, in contravention of the commission's order, was approximately $37 million. And as the corporate tax reached an average of 50 per cent at that time, one can say that the Bell succeeded in drawing out $75 million from telephone users through a direct violation of the commission's decision.

That is why I invite the government to watch closely the decisions made by the Canadian Transport Commission and even in the case of an independent body, I think it is up to the government to see that the corporations abide by the decisions that are made and that they do not go beyond the decisions, as was reported in the CLC brief.

Moreover, I am convinced of one thing: a member said a while ago—and I agree with him—that Canada has one of the best telephone services. I admit that Bell Canada had a great part in it, but I also recognize that the company is mainly doing business in the most profitable and advantageous centres. That is why they can make profits.

I can also recall the days when areas had no telephone service and Bell Canada would not provide them with the

necessary service on the grounds that it was not financially sound. Therefore with the help of a few of my fellow-citizens, I worked on setting up a cooperative telephone network and for 20 years I have been the manager of this business. Therefore, I am in a position to speak with some knowledge and state that a telephone company is one of the most profitable things to operate.

Therefore, I feel no pity at all for Bell Canada because they do make profits, and I understand that they have developed into a corporation for this purpose. But there are also limits, and I do believe that because of abuses, the confidence that the public may have in private enterprise is falling short.

The capitalistic system, in my opinion, is good in itself. It is good when it is reasonable. When it becomes faulty and that we try only to recognize and develop the financial capital without taking into account the rights of the human capital, I suggest that the government must interfere in order to set a limit so that the rights of the population are not encroached upon.

A moment ago an honourable member was mentioning the rising cost of living. It is a fact that prices are increasing in almost all areas. We will have to take a decision sometime! We should not allow big, powerful and strong people to increase their prices according to their fancy, and ask the small fellow to be reasonable, to refrain from asking for any increase in wages, to try and be satisfied with whatever he has.

A responsible government must look after the welfare of the people, and I agree that in the case before us, they must be given the necessary time to analyse the whole situation and take a decision without delay in accordance with the common good.

At any rate, my deep thought is the following: Bell Canada is in such a financial position, as I understand, that it may proceed at present with intended developments without having to increase its rates.

These are not paltry increases when you are talking of 50 percent in the case of installation of equipment. I should have been happy to benefit by such increases when I was the manager of the cooperative telephone network I referred to a short while ago. At that time, we were controlled by the Quebec public services Board and when we applied for small increases this resulted in quite a number of hearings, and only after we had demonstrated the necessity for an increase was a decision made to grant it by order.

In the present circumstances, as I said—

[*English*]

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but the time allotted to him by the order of the House made earlier today has expired.

• (2230)

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to the Secretary of State): Mr. Speaker, I would like to speak briefly and unpretentiously during this debate but with the intention of expressing a rather deep conviction.

[Mr. Lambert (Bellechasse).]

The debate held this evening is extremely interesting since it gives to all the members the opportunity to take a stand on this matter of public interest. We learned a few days ago that Bell Canada was authorized to increase its rates. I think that all members recognize as I do that the services provided by Bell Canada are comparable to any other offered throughout the world.

Bell Canada is reputed—and I think that such a claim is valid—to be providing services which do credit to all Canadian people. The question raised today is to determine whether the requested increase not only meets the corporation's needs, but if it can provide the necessary funds.

This debate gives me the first opportunity, Mr. Speaker, to take a stand on a basic question, namely that of the action of a political power on a judicial or quasi-judicial body.

Mr. Speaker, ever since 1968 when I had the honour of sitting in this House, I have always been—and there is no secret about it—a stubbornly argued for the division between the judicial or quasi-judicial power and the political power.

This evening I should like to suggest to my colleagues that it is extremely important, as hon. members, to be able to respect the decision of an independent authority which, in this case, is the Canadian Transport Commission which exercises powers that we have freely conferred upon it.

Far be it from me to pretend that this decision which we are discussing meets all the criteria of justice that we would have liked to see in a decision made by an authority in which we vested powers. But I remain convinced, Mr. Speaker, that in the final analysis that decision which was made in good faith by the Commission after an in depth examination of the applications or the arguments submitted to it represents the opinion of a good number of experts who submitted to this House an opinion which I consider undoubtedly as debatable.

I think that if we look at that decision, first of all we are surprised that it authorizes a rather substantial increase in the rates Bell Canada can charge the public. Right off the bat I would be inclined to make a general criticism. It seems to me that the Commission, with all due respect, did not take into consideration the capacity of the public to provide an additional income to that company. With regard to the powers of the Canadian Transport Commission I have to admit that it acted according to its prerogatives and the powers that we, as members of this House, have given it.

However, I am somewhat disappointed that the Commission restricted its action to the powers it had been given. It seems to me that it would have been not only possible but even easy for the Commission to wonder about the capacity of the public to meet those increases in rates.

I think that while recognizing that Bell Canada offers services which are generally better than those provided by other companies of the same size it must be recognized that the public is now grappling with the problems of inflation and the cost of living that is going up at an alarming rate. And if we accept that Bell Canada should consider giving improved services, I think it would have

been preferable, under the circumstances, for the CTC, bearing in mind the cost of living as I said before,—

[*English*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Don Blenkarn (Peel South): Mr. Speaker, recently we had the decision of the Canadian Transport Commission in connection with the application by Bell Canada to increase its rates. That decision was made without even the benefit of a white paper. The president of the Canadian Transport Commission gave us, when he was minister of finance, the "glories" of our present Income Tax Act. Now the commission has authorized Bell Canada rate increases which are really suspect. I hope in the few minutes allotted to me to outline some of the suspicions many of us have in connection with these increases. I should like to repeat the promise given to this country by the leader of our party, namely, that he would make sure the present commissioner was returned to his accounting practice so he could enjoy the benefits of the act that he foisted upon the people. As time goes on we will have to develop a proper board system for reviewing prices, not only of companies like Bell Canada but rail rates as well. Prices of other monopolies or quasi-monopolies will have to be reviewed, in the public interest. It is important that a tribunal system be organized so as properly to administer this kind of review.

• (2240)

Our judicial procedures are based upon the adversary system of justice, where an independent tribunal listens to argument presented on one side by a litigant or proposer and to argument presented by those on the other side, and thus arrives at a decision. In matters as complicated as telephone rates, indeed in matters as complicated as freight rates, the public interest cannot be protected by ad hoc representations, even by authorities as powerful as the province of Ontario or the province of Quebec. These matters are so complicated that the public interest must be protected by independent action which presents the public's case to the inquiry, so that the public can draw out, under the light of proper cross-examination and the presentation of relevant facts, what is the true position of the person or corporation that is applying for a rate or price increase. This is a matter the government will have to consider. This is one of the reasons the suggestion that this particular rate increase must be suspended, at least for the present, is valid.

At this point I want to deal with several questions that were raised during the Bell Canada hearing which indicate to me and to others in this House that there is something seriously wrong with the increase awarded. A great deal has been said about modernization of equipment, the cost of expansion of service, the necessity that shareholders receive a fair return on their money, and that investors are induced to lend money to this corporation on the basis that the corporation's charges will justify such investment. I appreciate those remarks, and I think that even the members of the party to my left can understand that obviously this corporation must earn a sufficient return in order to pay its debts and to pay for the use of money at its command. However, I should like to present some matters and questions that occur to me in connection with the decision made by the Canadian Transport Commission.

First of all, this corporation has a quasi-monopoly on television cable distribution in many of our communities. This television cable service is rented to a TV company or cable company for a limited period of time and then the contract can easily be terminated. There is no requirement that the use of Bell facilities can go on and on. Speaking to television cable companies, I am informed that the monopoly aspect of Bell in regard to this service causes serious concern. Secondly, Bell has spent a great deal of money through its many subsidiaries on research and development. This research seems to have been charged to Northern or to one of the other subsidiaries, but really it is charged against the regular telephone cost to every user. There is no question that this research should increase the share value of Bell, and increase it dramatically. Is there any reason why Bell stock is selling for 10, 11 or even 12 times book value? If this company is going to do that through its subsidiary, the research company, then the market should appreciate that research and the value of it, in the long term, should be considered when rate charges are made against regular telephone subscribers of Bell.

It is doubtful whether the commission has looked properly into the relationships that exist between Microsystems International Limited, Nevion Industries Limited, Bell Northern Research Limited, and Bell Northern Telecommunications Inc. Indeed, one columnist suggested that the reason for the increase is Bell's ownership of Anik.

We should also have inquired whether Bell is borrowing its money at the cheapest possible rate in order to conduct the expansion necessary in telecommunications in this country. Perhaps there are other methods by which this corporation could obtain something on a longer term basis or on a lower interest basis, so that the need for increased charges to consumers would not arise.

Thirdly, many of us question how Bell gets away with its fancy Princess phones, its coloured units, its inordinate charges for yellow page advertisements and all sorts of other gimmicks that the company is able to dream up. The real question is whether this company is acting in the national interest.

I am glad the minister is in the chamber, because I want to mention another matter. Last December, Bell—and I wonder how closely the minister has got into bed with Bell—was given a licence in my riding for one of these Bellboy transmission systems. I checked into that system and was told that Bell was supposed to have a 100-watt transmitter. Some of our investigations indicated that Bell was actually transmitting at 400 to 700 watts. When I asked the minister for a copy of Bell's licence, he said, "Oh no; licences are privileged." Members of Parliament are not entitled to look at a Bell transmission licence. So I am given cause to wonder how deeply the minister is in bed with Bell Canada.

During the election campaign the New Democratic Party made great play of capital cost allowances. Did this commission look into the depletion and depreciation rates

charged by Bell, and did it regard these rates as proper in view of the ability of the equipment used to last certainly longer than the quick write-offs allowed under our Income Tax Act? While speaking to a Bell representative, I asked him this question but really he could not give me an answer. Many members of this House were lobbied by Bell representatives in connection with this hearing. Let my speech tonight be an answer to some of their lobbying.

Basically speaking, Bell Canada has done a good job for us in Canada. It has provided good service. It has provided perhaps the best telephone service of any country in the world. I am told that Canadians use the telephone more than people in any other country. The telephone is pretty important to us. Indeed, as Members of Parliament we sometimes feel that we have telephones on our ears. The whole review process of corporations—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but his time has expired.

• (2250)

Mr. John Rodriguez (Nichel Belt): Mr. Speaker, I listened this evening to the speech of the hon. member for Saint-Michel (Miss Bégin) and it sounded much like a speech written by the recently elected president of Bell Canada, Monsieur Grandpré. One of the things that concerned me very much was the statement earlier today that the CTC is an independent body, yet the Prime Minister (Mr. Trudeau) suggested he wanted to get this commission free of political interference and pressure. This seems like a strange position for one to take, considering that the commission was appointed by the government and that its president is a former cabinet member.

In view of the fact that this government does have authority to roll back the rate increases awarded to Bell Canada by the CTC, I think morally the government should do so. After all, which is the most important: the commission appointed by this government, or the elected representatives of the people of Canada? Surely we should decide which is to make the decisions in the public interest.

Bell Canada went before the Canadian Transport Commission to receive approval of its application for rate increases in 1973 and 1974. The CTC should not have granted these rate increases, when we consider the kind of complex questions raised regarding monopolies, profits, service, communications, corporate responsibility and the cost of living.

In the first instance, Bell Canada sought rate increases on the plea of poverty. Their argument was something like this: Profits have risen but they have not risen high enough to satisfy the investors; therefore, the company is encountering increasing difficulties in raising in the money market funds it needs for the capital expansion that must be undertaken.

The figures show that Bell Canada's profit for 1971 was $147 million, up from $108.5 million in 1967. In the last ten years, total profits were $1,021,135,000. Between 1962 and 1971, profits increased by 125.6 percent. It should be noted that Bell Canada has $233.6 million in deferred taxes owing to the Canadian people. According to the publication "Corporations" with a directory of Canada's top 100 companies excluding government-owned corporations, Bell Canada is number one in rank by assets, number one in rank by net income and third in rank by sales.

If the investor is not satisfied with Bell Canada's financial position, what precisely does it take to satisfy him? Should it be the role of the older citizen to pay through the nose for an ordinary telephone service, a public utility, in profit terms, thereby increasing its justification for an over-all telephone rate increase in order to satisfy the investor? I do not think that is right.

This brings me to the issue of what price we should pay for our telephone service. A comparison of telephone rates in other provinces shoes that while people in Ontario and Quebec pay an $11 service charge for the installation of an ordinary, black telephone, Albertans and British Columbians pay $10. In Saskatchewan and Manitoba, where the telephone companies are government-owned, the same service costs $2 to $3. At the same time, the average monthly rate for a phone in Ontario and Quebec is $6.10 but B.C. residents pay $5.55 per month, Albertans pay $3.35, while Saskatchewan subscribers pay $4.15, and Manitobans $3.90.

Keeping in mind these figures, consider that among the many increases Bell has been awarded by the CTC is an increase in the installation charge from $11 to $22, as well as increases in monthly rates and long distance calls, pay phone calls will be doubled to 20 cents and operator assistance will cost 25 cents per call if the number is in the directory.

In theory, the rates of Bell Canada are governed by the people of Canada. But Bell Canada, being a public utility monopoly, is required by law to present an application for rate increases for approval by the CTC, which is a government agency. The public, then, has the right to object to or support the application. Citizen interventions should bear weight with the CTC, yet in 1973 the Canadian Federation of Mayors and Municipalities, the Association of Ontario Mayors and Reeves, the Ontario Municipal Association, the governments of the provinces of Ontario and Quebec, and some 200 municipalities in the provinces of Ontario and Quebec, among others, made representations against Bell's rate application; and still Bell Canada has had its application approved by the CTC.

The same was true in 1969. For those most severely affected by rate increases—that is, those on fixed incomes, pensioners, the unemployed, low income earners and small businessmen—the difficulties of being adequately represented at rate hearings are virtually insurmountable. It is also intriguing to note that prior to 1969, Bell had made application for a reduction in rates of certain long distance calls. By 1969, however, the figures show that 99 per cent of all households in Ontario and Quebec had acquired telephone service. Then Bell applied for rate increases in 1969, 1970 and 1971, as well as for 1973 and for 1974. Bell is, consequently, now in the position which enables it to make exorbitant demands, secure in the knowledge that few subscribers will give up their telephone and that there is no competing company to whom those in disagreement with rates and service can turn for a telephone.

Although Bell has gone to great pains to justify its application for rate increases, it strains both the public

good will and credibility when we look at some of Bell's operations. For instance, the rates we pay for telephones are governed by the rate group in which we live. That rate group is determined by the number of telephones in the area, the number of main phones plus extensions. In other words, the more phones and extensions in the area, the higher the rates. Consider, then, that Bell, in an apparently unprecedented burst of Christmas spirit, offered last November the installation of an extension phone free of charge. Many took advantage, not realizing the cost implications.

Let us consider, as an example, Northern Electric, a wholly-owned subsidiary of Bell Canada. It has received $26 million in government grants, plus an effective tax rate of 9.8 per cent, and $14.1 million in deferred taxes; yet that company managed to lay off 5,000 employees in one and a half years. In addition, Microsystems International, a Northern Electric subsidiary, received an interest-free loan of $12 million from the federal treasury in July, 1969. In May, 1972, Microsystems announced it had built a new assembly plant in Malaysia and practically at the same time 50 persons were laid off in Ottawa. We must also consider the situation in respect of Tele-Direct, a subsidiary of the same company.

My time is running out. I should like to conclude this speech by saying that I feel the government ought to refute the decision by the CTC, and roll back the increase granted to Bell Canada. Indeed, many people in Nickel Belt would far rather see added to the words on the sign outside the Bell Canada office here in Ottawa, "Place Bell Canada"—"Under public ownership".

At 11 p.m. the House adjourned, pursuant to special order.

HOUSE OF COMMONS

Tuesday, April 3, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

OFFICIAL LANGUAGES

ADDRESS BY COMMISSIONER IN WASHINGTON—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise pursuant to Standing Order 43 to move a motion of urgent and pressing necessity superseding the one I read in the House yesterday on the matter of an alleged statement by Mr. Keith Spicer referring to English-speaking Quebeckers as "Westmount Rhodesians". I move, seconded by the hon. member for Cumberland-Colchester North (Mr. Coates):

That the matter of the address made last Saturday in Washington, D.C., by Mr. Keith Spicer, Commissioner of Official Languages, be referred immediately to the Standing Committee on Privileges and Elections for a full investigation and examination and in order to permit Mr. Spicer to answer any charges that may be made, and that the said committee report its findings along with any recommendations it may have for further action to this House as quickly as possible.

Mr. Speaker: This motion is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

MEASURES TO ACCELERATE PAYMENT OF BENEFITS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roland Godin (Portneuf): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House to present a motion on a matter of national interest.

Since the media are inviting Canadians to contact the friendly advisers appointed by the Department of National Revenue to guide us on the way to complete our tax returns and since a large number of unemployed people have not received their payments for the months of November and December 1972, and therefore are in danger of losing their homes or their cars or having to move, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the House examine as promptly as possible steps to be taken in order that the Department of Manpower and Immigration be vested with authority to hire all personnel required to issue cheques refused by defective computers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity. The hon. member's motion therefore cannot be put.

* * *

[*English*]

COMMUNICATIONS

BELL CANADA RATE INCREASES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I rise to move, under the terms of Standing Order 43, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the matter of the rate increases granted to Bell Canada by the Canadian Transport Commission last Friday, March 30, be referred to the Standing Committee on Transport and Communications.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

[*Translation*]

DOLLAR A YEAR BILL

MEASURES TO ALLOW PRIVATE INDUSTRY TO LEND EXPERTS TO GOVERNMENT

Mr. Yvon L'Heureux (Chambly) moved for leave to introduce Bill C-169, respecting "dollar a year" men.

Some hon. Members: Explain.

Mr. L'Heureux: Mr. Speaker, in the interest of all Canadians, I move that experts in all fields of human endeavours become "dollar a year" men as provided in an act respecting "dollar a year" men. It would, therefore, be advantageous for the government to secure the services of these experts, in order to resolve today's numerous problems, at no cost to the taxpayer.

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

[*English*]

ORAL QUESTION PERIOD

INCOME TAX ACT

EXPEDITING OF AMENDMENTS AFFECTING 1972

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance a question about the bill to amend the Income Tax Act affecting those who are filing returns for 1972 and looking for refunds. Assuming that the ways and means motion is debated later this afternoon, I should like to ask the minister whether he would be prepared to confer with the House leader with a view to the bill being brought on for second reading tomorrow, having regard to its urgency. If he is prepared to do this, we would waive the requirement of notice for this purpose.

Hon. John N. Turner (Minister of Finance): I will certainly do that.

• (1410)

INTRODUCTION OF WAYS AND MEANS MOTION ON CORPORATE TAX REDUCTION—METHOD OF ENACTING ACCELERATED DEPRECIATION PROPOSAL

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker, regarding the proposed corporate tax reduction. Recognizing and accepting the importance of proceeding with the 1972 measures first, as the minister proposes to do, may I ask him when may we expect to see the notice of ways and means motion respecting the proposed corporate tax reduction?

Mr. Guay (St. Boniface): That's better than you did last night, Bob.

Some hon. Members: Oh, oh!

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not want to interrupt an extraneous conversation but I would like to say that, as I explained to the House last week, I would hope we could dispose of the 1972 matters before we introduce the 1973 matters. But here again I should like to consult my colleague, the leader of the House, first.

Mr. Stanfield: Mr. Speaker, I do not see why the introduction of the ways and means motion would in any way interfere with our proceeding with the other matters first. I should like to ask the minister whether he can tell the House how he intends to proceed with the fast write-off provisions? Does he propose to bring the matter into the House at all and, of so, in precisely what form?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, as I explained when the question was put to me outside the House, the definition governing the regulations concerning fast write-offs or accelerated capital cost allowance relates to manufacturing and processing, which happens to be the same definition that is relevant in the case of the corporate tax reduction, as the hon. gentleman knows. I felt that the House should have the opportunity to express its views on that issue. Whether or not I would exercise the option of bringing those forward by order in council, I have not yet determined, but I know the hon. gentlemen's views.

* * *

ENERGY

POSSIBLE MEETING OF BRITISH COLUMBIA PREMIER AND MINISTER ON PROVINCIAL PROPOSAL THAT ALASKAN OIL BE TRANSPORTED BY RAIL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the right hon. Prime Minister. Has the right hon. gentleman received a telegram from Premier Barrett of British Columbia regarding the proposal of that government for transporting Alaskan oil and gas by rail to Lower Post, B.C. and then by underground pipeline to the United States? If so, may I ask the Prime Minister whether the telegram requests a meeting with the Minister of Energy, Mines and Resources, has such a meeting been arranged and, if so, when and, if not, can the Prime Minister assure the House that such a meeting will be arranged?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to refresh my memory as to the existence or otherwise of a telegram to me. I do know that the subject was raised, but I am rather certain it was not in a telegram to me.

As regards the substance of the question of a meeting, I believe that my colleague, the Minister of Energy, Mines and Resources, has indicated that he is prepared to discuss this topic. He has indicated, and I certainly agree with him, that any discussion would be more fruitful if he were able to know more about the proposal. In particular, he has asked for the background documents and research upon which this proposal has presumably been based.

INQUIRY AS TO DEPARTMENTAL STUDY OF FEASIBILITY OF RAIL TRANSPORT IN FAR NORTH

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. Since the group at Queen's University have done a fairly exhaustive feasibility study on rail transport in the far north, and since Canadian National Railways has announced that it is undertaking an extensive study, may I ask the minister whether his department has set up any task force to make a study of rail transport in the far north, both as to the economics and as to the ecological feasibility of such a proposal similar to the advisory committee that he set up to study financing of a Mackenzie route pipeline?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have not set up an advisory committee but we have instituted a study to

examine the feasibility of the Queen's University study. However, the hon. gentleman will recall that that was with respect to the Mackenzie valley rather than the Yukon.

OIL—POSSIBLE SHARING OF RESOURCES BY OECD COUNTRIES IN EVENT OF MIDDLE EAST CUT-OFF—CANADIAN PARTICIPATION—BILATERAL APPROACH

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister a question in reference to his statement that the OECD members propose to have some sharing of their oil resources in the event of a Middle East oil cut-off. What surplus of oil does Canada have to contribute to such a plan, have any commitments been made, and is the minister making any approaches to Venezuela or any of the OPEC countries regarding a bilateral agreement to assure security of supply in the event of Middle Eastern oil being cut off?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the OECD discussion is with regard to offshore supplies of oil coming to Canada, the United States, western Europe, Japan and Australia. For that reason it is not so much a question of Canada contributing to it but of the way in which offshore supplies would be dealt with. With respect to the bilateral approach suggested by the hon. gentleman, he will recall that Dr. Howland advised the standing committee that one of the aspects of the OECD agreement is that there should not be in effect competitive bilateral deals between various members of the OECD and the OPEC countries because of the competitive element that this would bring about.

TRANSPORT OF OIL FROM NORTH—CANADIAN NATIONAL RAILWAYS STUDY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Minister of Transport whether he would inquire about the studies carried out by the Canadian National Railway in respect of railway construction in the far north, and if they will be made available to committees of the House?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the department and the CNR have carried out and are still proceeding with detailed studies on the possibility of constructing a railroad to Northern Canada, but the reports are not yet completed.

[*English*]

PROPOSED WEST COAST OIL TANKER ROUTE—ALLEGED LACK OF DEPARTMENTAL CO-ORDINATION OF OPPOSITION

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a supplementary question concerning the shipment of oil which I should like to direct to the attention of the Minister of the Environment. Is he aware of the statement by Dr. McTaggart Cownan, Director of the Science Council of Canada, to the effect that he is concerned about the apparent lack of a co-ordinated effort by the Department of the Environment and the Department of Transport in respect of opposing and being ready to meet the threatened shipment of oil down the B.C. coast in particular?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I understand this comment was contained in a report that was finalized about a year ago.

Mr. Speaker: Order, please. The hon. member will appreciate that his question simply asked whether the minister was aware of a statement, and to that extent it would hardly be in order.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

SUGGESTION THAT BILL C-125 BE PROCEEDED WITH BEFORE EASTER ADJOURNMENT

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to put a question to the President of the Privy Council.

Since Bill C-125 amending the Unemployment Insurance Act of 1971 includes fine provisions, can the President of the Privy Council assure us that it will be studied before the Easter holiday?

[*English*]

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I doubt whether that would be possible.

Mr. Hees: I rather doubt that it is possible in view of the way it has been shifted or put aside, and we know why, Al.

Some hon. Members: Oh, oh!

* * *

NATIONAL SECURITY

POLICE AND SECURITY PLANNING AND ANALYSIS GROUP—INQUIRY AS TO USE OF ELECTRONIC EQUIPMENT TO MONITOR CONVERSATIONS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct my question to the Solicitor General. Can he advise the House whether the offices of the police and security planning and analysis group, newly expanded and located next to the minister's own departmental office, include sophisticated electronic equipment capable of monitoring conversations in other offices or rooms or via telephone?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker.

Mr. Nielsen: I should like to ask the minister a supplementary question. Is he prepared to arrange a familiarization visit by Members of Parliament, perhaps the members of the Standing Committee on Justice and Legal Affairs, to the offices of the police and security planning and analysis group, with such visit to include the communications room known as "Interex"?

Mr. Allmand: I will look into the possibility of that, Mr. Speaker.

Oral Questions

REASON FOR APPOINTMENT OF LIEUTENANT GENERAL DARE AS DIRECTOR GENERAL, RCMP SECURITY SERVICE

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a last supplementary question to the Solicitor General. Since the policy of the government has invariably been to fill top level vacancies in the RCMP by promotions from within the force, the last rare exception being the appointment of Major General J. H. MacBrien over 40 years ago, will the minister explain the government's departure from this policy in the recent appointment of Lieutenant General Dare of the police and security planning and analysis group as Director General, Security Service, of the RCMP?

• (1420)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, General Dare was appointed to replace a man who was also not a member of the RCMP, Mr. Starnes, who was appointed some years ago because it was felt there should be some civilians in the security area of the RCMP.

POLICE AND SECURITY PLANNING AND ANALYSIS GROUP—POLICY RESPECTING COLLECTION OF DATA AND MAINTENANCE OF FILES ON PUBLIC SERVANTS

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a supplementary for the Solicitor General. Will the minister advise the House whether it is government policy to have the police and security planning and analysis group collect data on public servants? If so, is it government policy to maintain files of information, including any indication of the political affiliation of public servants and the frequency of their communication with Members of Parliament, and are such files available to the cabinet through the minister?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there are many questions there but generally the answer is no. There is no such policy.

POLICE AND SECURITY PLANNING AND ANALYSIS GROUP—INVESTIGATION OF LABOUR UNIONS—POSSIBLE USE OF MONITORING EQUIPMENT

Mr. Robert C. Coates (Cumberland-Colchester North): Is the minister aware of whether the police and security planning and analysis group conducts investigations of labour unions in Canada and the leaders of unions, and can he inform the house if there is a policy which permits the use of electronic monitoring equipment in such investigations?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the group referred to is not an operational group. It does not conduct investigations. It is merely a policy, planning and advisory group and is not operational.

[Mr. Allmand.]

PENITENTIARIES

PRINCE ALBERT—SHOOTING OF GUARD BY PRISONER—ATTACKS ON OTHER GUARDS—RELIEF OF OVERCROWDING

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Solicitor General whether he has looked into the seriously developing situation at the Saskatchewan penitentiary at Prince Albert with respect to an outbreak a couple of weeks ago involving the shooting and wounding of a guard by a prisoner who is serving a life sentence for murder but was out of the penitentiary and had a gun, and also other attacks on guards that have taken place there very recently?

Hon. Warren Allmand (Solicitor General): Yes, Mr. Speaker. There was an unfortunate incident on March 30 where an inmate had been taken outside the penitentiary to a hospital. Once the handcuffs were removed he drew a homemade zip gun and shot one of the guards. The guard was not seriously wounded but it was still a serious incident. To protect the guards and staff the penitentiary service has standing orders regarding the frisking of inmates who are taken out of the penitentiary. In this case, although the guards had frisked the inmate before taking him out of the penitentiary, for some reason they did not discover the double-barrelled zip gun which was later drawn on them and used to shoot a particular guard. It was an unfortunate incident. As a result of this incident we are conducting a thorough search of Prince Albert penitentiary to discover other zip guns and further contraband has been discovered.

Mr. Diefenbaker: Mr. Speaker, I do want to thank the new Solicitor General for being so generous in answering the question at such length. I appreciate that very much. I would ask him whether or not action will be taken to remove numbers of prisoners from this institution which today is grossly overcrowded? I would also ask him whether action will be taken in respect of those prisoners who have a gun or knife record behind them to remove them therefrom, for the guards are facing grave dangers and so state. I should add that my informants fear that from day to day the situation worsens.

Mr. Allmand: Mr. Speaker, there is a serious population problem at the Saskatchewan penitentiary as well as at other penitentiaries in the prairie region. In the estimates which are now before the House we request funds to expand our facilities on the Prairies and also to expand our staff so we can better handle this increased population. I would also like to say that disciplinary measures will be taken with respect to men who are found with contraband weapons, and in particular the man who was involved in this case.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a last supplementary question on this subject and then recognize the hon. member for Northwest Territories.

NATIONAL SECURITY

POLICE AND SECURITY PLANNING AND ANALYSIS GROUP—POLICY RESPECTING COLLECTION OF INFORMATION ON UNIVERSITY PROFESSORS AND STUDENTS

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my supplementary question to the Solicitor General is supplementary to the questions asked by the hon. member for Cumberland-Colchester North and the hon. member for Yukon. Will the minister advise the House whether it is government policy to permit the police and security planning and analysis group to collect or to receive from any investigative branch of the government files of information on college or university professors and students, and whether it is government policy to have such information collected by paid agents stationed on college or university campuses?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the group in question does not have any agents. It gets its information from the RCMP and other departments of the government. Once it receives information it analyses it and advises the government with respect to security questions, but it does not have agents of its own.

* * *

INCOME TAX

CONSIDERATION OF SUBSIDIZED HOUSING AND SIMILAR BENEFITS IN NORTHWEST TERRITORIES AS INCOME

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question for the Minister of National Revenue. In view of today's radio news broadcast I should like to ask the minister to inform the House whether or not he has instructed his department to consider subsidized housing and similar benefits in the Northwest Territories as income for tax purposes?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I have had this broadcast and this matter drawn to my attention and have asked my officials to advise me on it. I will be pleased to let the hon. member know the result as soon as possible.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

INQUIRY RESPECTING EXTENSION OF SERVICES TO COMMUNITIES OF LESS THAN 500 PEOPLE

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I should like to put a question to the Secretary of State.

In its 1971-72 annual report, the Canadian Broadcasting Corporation pointed out that its coverage work group would submit to the government in November 1972 a complete master plan for the extension of its television and radio services in communities of at least 500 inhabitants. Can the minister tell the House whether the government has obtained from the CBC some details on that master plan and does it expect to report to the House in the near future?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, yes. The department has received proposals for accelerated coverage from the CBC. We are in the process now of discussing the proposals with the CBC, and I would hope to be in a position to report to cabinet shortly.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

CIP PLANT IN TEMISCAMING—STUDIES RESPECTING POSSIBLE REOPENING—REQUEST FOR REPORT BY MINISTER

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I would like to put a question to the Minister of Regional Economic Expansion. Could he tell us if the studies on the Temiscaming plant are completed and when does he expect this industry to resume operations?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, on the first part of the question, the studies have in fact been completed and have been translated into a set of proposals which have had preliminary consideration and will be considered in final form later this week. It is my hope and intention to be able to make an announcement before the end of the current week.

[*Translation*]

Mr. Caouette (Charlevoix): Mr. Speaker, could the minister tell us if this industry will resume operations or not?

[*English*]

Mr. Jamieson: Mr. Speaker, all I can say at the moment, as I replied earlier, I believe, to the hon. member for York South, is that I am optimistic that some suitable arrangement can be worked out.

* * *

INDUSTRY

C.A.E. AIRCRAFT LIMITED—REQUEST FOR ASSURANCE OF NO FURTHER PERSONNEL LAY-OFFS—FUTURE CONTRACTS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is directed to the Minister of National Defence and the Minister of Transport. My question is in regard to C.A.E. Aircraft Limited in Winnipeg and the laying off of personnel. Can the government give an assurance that there will be no further lay-offs and that there will be future contracts that will keep the plant in operation?

• (1430)

Hon. James Richardson (Minister of National Defence): Mr. Speaker, C.A.E. Aircraft does not come under the responsibility of the Minister of National Defence, but we

do have defence orders that are being undertaken by the company at the present time.

Mr. McKenzie: Since the Department of National Defence was involved in the initial arrangements regarding the setting up of this company, can the Minister of Transport give us any information on these lay-offs and tell us whether there will be future contracts?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will inquire whether there will be contracts and make a report to the hon. gentleman.

* * *

PUBLIC SERVICE

POSSIBILITY OF CHANGE IN GOVERNMENT POSITION RESPECTING REGIONAL PAY RATES IN LIGHT OF DISPUTE WITH DOCKYARD WORKERS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question I would like to direct to the President of the Treasury Board. It arises out of press reports this morning indicating a breakdown in negotiations between the Dockyard Trades and Labour Council and his departmental officials. In light of this breakdown, largely over the question of regional pay rates, can the minister say whether the government is at least considering a movement away from the rigidity of its position with respect to prevailing rates so as to avoid an unnecessary and possibly prolonged walkout which would have the consequence of tying up virtually all of the Canadian Armed Forces maritime capability?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am as eager as anyone in this House to avoid any kind of tie-up, walkout or prolonged period of indecision, but I am sure the hon. gentleman would not want to have me interfere with the normal bargaining process. The next step is to proceed through the conciliation process as provided in the law.

Mr. Speaker: The hon. member for Cumberland-Colchester North.

Mr. Forrestall: A supplementary—

Mr. Speaker: Order, please. I apologize to the hon. member for Cumberland-Colchester North but the hon. member for Dartmouth-Halifax East has a supplementary.

Mr. Forrestall: Can I construe the minister's statement as meaning that the government is not prepared to move away from its oft-stated position with respect to the principle of regional prevailing rates? Do I understand him correctly on that?

Mr. Drury: Mr. Speaker, I do not think that interpretation should be placed, by any reasonable person, on my remarks. I merely say that we should proceed through the normal business of conciliation rather than negotiating on the floor of the House.

[Mr. Richardson.]

Mr. Speaker: Order, please. I would invite hon. members to limit supplementaries. The hon. member for Cumberland-Colchester North has a supplementary to a question asked much earlier during the question period. He will be recognized after the hon. member for Dartmouth-Halifax East who I believe has a last supplementary.

Mr. Forrestall: Mr. Speaker, may I ask the Minister of Regional Economic Expansion whether or not, in light of the government's position that regional disparities should be removed, he has made any overtures or is prepared to make overtures with respect to eliminating archaic wage disparities?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am afraid I would have to have more specific information before answering. Generally speaking, no incentives are offered, or indeed granted, unless at the very minimum the wage laws of the particular province concerned are adhered to.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Cumberland-Colchester North and then go to another subject.

* * *

NATIONAL SECURITY

POLICE AND SECURITY PLANNING AND ANALYSIS GROUP—INQUIRY AS TO DIRECTIVE TO RCMP TO CONDUCT INVESTIGATIONS OF UNIONS FOR GROUP

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I would like to direct a further question, for clarification purposes, to the Solicitor General. Has the government given a directive to the Royal Canadian Mounted Police to carry out investigations at the direction of the police and security planning and analysis group that would permit the police and security planning and analysis group to maintain files of information on union activities and union leaders, with such files available to the cabinet through the minister?

Hon. Warren Allmand (Solicitor General): To the best of my knowledge, no, Mr. Speaker, but I will check this out. Generally speaking—as a matter of fact, I think this is the rule—the group does not give instructions to the RCMP to carry out investigations but receives information from the RCMP. As I say, I will check this out for the hon. member.

* * *

FLOODS

LAKES ERIE AND ONTARIO—PAYMENT BY MUNICIPALITIES FOR USE OF ARMED FORCES—REQUEST THAT POLICY BE CHANGED

Mr. Don Blenkarn (Peel South): Mr. Speaker, last week I posed a question to the Minister of National Defence about the use of the Canadian Armed Forces in connection with the emergency situation along the shores of Lake Ontario and Lake Erie. I now find out from the Emergency Measures Organization that the municipalities involved must reimburse the government for the use of

the armed forces. Is the minister prepared to change that policy in view of the present emergency?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, our policy is to provide these services on a cost recovery basis.

Mr. Blenkarn: In view of the fact that the Armed Forces have their salaries paid in any event and already have the necessary equipment on hand, can the minister explain why municipalities must be charged for what is already paid for in the budget of the minister?

Mr. Richardson: Mr. Speaker, we do not charge for the salaries or for the use of the equipment. It is really the direct out-of-pocket costs that arise from assisting in any particular emergency.

* * *

UNEMPLOYMENT INSURANCE

EXAMINATION BY ADVISORY COMMITTEE OF INVESTIGATIVE TECHNIQUES OF BENEFIT CONTROL OFFICERS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. In view of the allegation that innocent claimants have been disqualified from receiving unemployment insurance benefits by certain investigative techniques of benefit control officers, is the advisory committee looking into the conduct and techniques of these officers?

Hon. Robert K. Andras (Minister of Manpower and Immigration): As I previously indicated to the House, Mr. Speaker, the answer to that question is yes.

Mr. Rodriguez: How soon will the minister have a report for parliament from the advisory committee?

Mr. Andras: I am consulting regularly with the chairman of the advisory committee and he tells me they are proceeding as expeditiously as possible.

Mr. Rodriguez: Is the minister considering changing the regulations so that the innocent are not penalized along with those who take advantage of the system?

Mr. Andras: I would hope that the regulations are now such that the innocent are not penalized.

* * *

[*Translation*]

COMMUNICATIONS

CABLEVISION—DISCUSSIONS WITH QUEBEC MINISTER RESPECTING JURISDICTION

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Minister of Communications.

The Quebec Minister of Communications stated recently that there had been no consultation between him and his federal counterpart concerning the publication of the green paper, and on February 23, the Quebec minister stated, and I quote:

—Quebec's jurisdiction over cablevision is a matter of fact, and not open to negotiations.

I should therefore like to ask the minister if he still intends to start further negotiations or if he is inclined to recognize Quebec's jurisdiction over cablevision?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, the statement by my counterpart in Quebec surprised me as much, I suppose, as it surprised the hon. member for Joliette, for the Quebec minister had himself not consulted the federal government before publishing a green paper, and since the green paper published by the federal government is precisely for use in consultation, discussions and negotiations, consultation should normally take place after, not before publication. No provinces were consulted about this publication, but all provinces, including Quebec, were informed of the publication of the green paper at the same time as members of the federal parliament.

Regarding the federal government's position concerning the claims of the Quebec Minister of Communications, I believe that the papers I have tabled in the House, that is to say my correspondence with the Quebec minister, should put the hon. member for Joliette clearly in the picture, if he takes the trouble to read them.

Mr. La Salle: Mr. Speaker, I have a supplementary question for the hon. minister.

I should like to ask him if he intends to meet his Quebec counterpart to clarify the situation.

Mr. Pelletier (Hochelaga): Mr. Speaker, once again the answer is clear and I have repeated it several times in this House: now that the green paper has been published I plan to meet the provincial ministers of communications.

* * *

[*English*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST THAT MEMBERS BE GIVEN MORE TIME TO STUDY APPLICATIONS BEFORE COMMENTING

Mr. Ellwood Madill (Peel-Dufferin-Simcoe): Mr. Speaker, I should like to direct a question to the Secretary of State. In view of the fact that the members of this House this morning received the applications for the Opportunities for Youth program, with a reply required by April 9, can he extend the date so we can give them more informed study and make a better reply?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I am prepared to look at this on an individual basis because I want to be as fair as possible. But generally I would like to resist delays because we are on target across the country, and in fact in parts of the country we are ahead of schedule. I think all members of the House agree that it is important to get the announcements out to the students themselves as soon as possible, but if there is

a clear case of injustice I am prepared to look at it on an individual basis.

• (1440)

Mr. Madill: Can we have an undertaking from the Secretary of State that in those cases where projects are not recommended by Members of Parliament the department will not adopt the practice of telling people they were turned down because they were not on the list of projects recommended by the Secretary of State?

Mr. Faulkner: Mr. Speaker, we take responsibility for both the approvals and the rejections.

OPPORTUNITIES FOR YOUTH PROGRAM—ROLE OF MEMBERS OF PARLIAMENT IN SELECTING PROJECTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wonder if the minister would clarify his position with a little more care as to the role individual Members of Parliament are to play in the selection process. The memo that the minister sent to all members implied one possibility, that members were to act as some kind of veto agency in terms of a certain percentage of those applications. Would he clarify the situation for the House now?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, this year, as last year, the role of the Member of Parliament is consultative—

Some hon. Members: Oh?

An hon. Member: Isn't that nice?

Mr. Fairweather: In what way are we consulted?

Mr. Faulkner: If hon. members want a dictionary definition of the word "consultation" I will be happy to comply, but it is perfectly clear that it does not imply a veto.

* * *

POLLUTION

THREAT OF OIL SPILL FROM SUNKEN "IRVING WHALE"—MEETING WITH PRINCE EDWARD ISLAND PREMIER—GOVERNMENT RESPONSIBILITY

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to pose a question to the Minister of Transport. Has the minister agreed to meet with the government of Prince Edward Island, as I believe they requested, with regard to the suggestion that it would be feasible to leave the *Irving Whale* lying on the bottom of the Gulf of St. Lawrence? Also, regardless of the decision in that regard, does his department accept primary responsibility for any oil spill that might occur?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker, I will meet with the Premier of Prince Edward Island next Monday, April 9. I have already written a letter to Mr. Campbell on this subject and we are going to discuss it on Monday. There is no doubt that we accept responsibility. If there is an oil spill we are going to assume the financial responsibility for cleaning up the whole thing.

THREAT OF OIL SPILL FROM SUNKEN "IRVING WHALE"—UNDERWATER INSPECTION

Mr. David MacDonald (Egmont): I have a supplementary question, Mr. Speaker. Could the minister indicate to the House when the last underwater inspection of the *Irving Whale* took place and when the next underwater inspection may take place in order to determine the actual condition of this vessel and the likelihood of it causing a serious pollution problem on the shores of Prince Edward Island?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, a few days ago I asked the Minister of National Defence if he could help in examining the *Irving Whale.* I did not get any answer yet.

Some hon. Members: Oh, oh!

Mr. Hees: That is not surprising; that is routine.

Mr. Marchand (Langelier): I know they have special devices that we do not have. As for the last date it was examined, I will inquire about that because I do not know exactly.

Mr. Hees: Jean, now you know how we feel.

* * *

[*Translation*]

TRANSPORT

ESTABLISHMENT OF MERCHANT MARINE—MINISTER'S POSITION

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, when the Minister of Transport meets the P.E.I. authorities, will there be any talk of setting up a Canadian merchant marine?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, please forgive my absentmindedness. Could the question be repeated?

Mr. Boisvert: I shall repeat it, Mr. Speaker.

When the Minister of Transport meets the P.E.I. authorities, will there be any talk of setting up a Canadian merchant marine?

Mr. Marchand (Langelier): Mr. Speaker, even if we managed to set afloat the *Irving Whale* it would certainly not be the first ship in our merchant marine. In any event, the matter is still on my mind and I trust that some day or other its solution will be found.

[*English*]

AGRICULTURE

POSSIBILITY OF ASSISTANCE TO FARMERS IF AFFECTED ADVERSELY BY TRADE NEGOTIATIONS WITH UNITED STATES

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Since the Minister of Industry, Trade and Commerce has pledged assistance if needed to small business firms affected by the upcoming trade negotiations with the United States, can the minister tell the House if Canadian agriculture and specifically farmers can look for economic aid if they are in any way adversely affected by the same negotiations?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, even by the seating arrangement in the House hon. members can see that the Minister of Industry, Trade and Commerce and myself are in constant consultation.

Mr. Speaker: The hon. member for Vancouver South. Order, please. I apologize to the hon. member but I believe the hon. member for Lisgar has a supplementary. I will recognize him for that purpose and then I will see the hon. member for Vancouver South.

Mr. Murta: In light of the hardships that will be experienced under the new tariff reductions brought down by the present government and presumably with the minister's knowledge and seal of approval, how does he intend to convince the farmers of Canada that he is sincere in what he has said?

Mr. Speaker: Order, please. That question obviously is not in order.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—REPORTED RESIGNATION OF VANCOUVER ADVISORY BOARD

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Secretary of State and arises out of the questions that have just been asked him involving opportunities for youth grants. Word has just been received that the advisory board in Vancouver has resigned. Can the minister advise whether this is so? I might also advise him that I have not received any OFY applications in my office.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, on the first part of the question, my information is about as sketchy as that of the hon. member. I hope to get clarification on the status of this board at the end of the question period. In terms of having received projects or not, these are going out across the country in stages. Some areas are being dealt with first and in those areas the projects will be arriving in members' offices ahead of some other members. There is nothing to fear. The hon. member's city will get its share.

Mr. Fraser: Could the minister give some assurance that if this in fact happens an appropriate extension will be given for OFY grants in Vancouver?

Mr. Speaker: Order, please. The question is hypothetical. I bring to the attention of hon. members that we are coming to the end of the question period. I recognize that a number of members are seeking supplementaries but there would not be time between now and the end of the question period to have all the supplementaries on this subject. The hon. member for Edmonton Centre.

* * *

SPORTS

POSSIBLE MERGER OF NATIONAL HOCKEY LEAGUE AND WORLD HOCKEY ASSOCIATION—ACTION TO RETAIN PRESENT CANADIAN FRANCHISES IN WHA

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs and refers to the fact that the National Hockey League and the World Hockey Association are discussing merger. Does the government intend to take any steps so that the franchises of WHA clubs in Canada will remain in Canada and not go to the United States, as I am informed will happen when the merger takes place?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the present combines law does not cover services. I hope my hon. friend will support the new policy in due course that may cover services. In any event, I would be happy to discuss this matter with the Minister of National Health and Welfare. If I am not mistaken, his predecessor did take some initiatives in this regard.

Mr. Paproski: Mr. Speaker, my supplementary question is for the Prime Minister. In view of the fact the 11 WHA clubs plan to merge with the NHL, and in view of the fact that only one of the 11 plans to remain in Canada, would the Prime Minister use his good offices to see that the franchises that are Canadian remain in Canada?

* * *

AIR TRANSPORT

GOVERNMENT POSITION IN LIGHT OF OPPOSITION TO REQUIREMENT THAT AIRCRAFT BE EQUIPPED WITH EMERGENCY LOCATOR TRANSMITTERS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that federal plans requiring emergency locator transmitters in aircraft are running into opposition from the aviation community owing to their cost, what positive action does the government contemplate to ensure that all airplanes will now be equipped with this safety device?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I announced a few months ago that some devices will be compulsory from January 1, 1974. In the meantime, we are in consultation with the industry, with the aviation clubs and those who are interested in aviation. We have received this kind of comment and we are

going to receive others. After that, we will see if we will leave the regulations as they are or modify them.

* * *

MANPOWER

USE OF GERMAN WORKERS TO INSTAL MACHINERY AT ATLANTIC PACKAGING COMPANY—REQUEST THAT WORK PERMITS BE REVOKED

Mr. John Harney (Scarborough West): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that work permits have been issued to some German workers to instal machinery at Atlantic Packaging in Scarborough, and considering the painful fact that there are now about 80 qualified millrights out of work in Toronto, will the minister have these permits revoked so that skilled Canadian workers can have access to these jobs they have full right to?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am informed that these tradesmen came to Canada for a short time to instal a particular piece of specialized equipment which had been purchased overseas. In fact, their part in the installation was contained in the contract price and because of this they were exempt from the requirement of manpower clearance. They did, however, require and receive employment visas.

• (1450)

Mr. Harney: In view of the fact I have the same information from the pages of the *Globe and Mail,* can the minister assure the House that he will cause an inquiry to be made into this situation on the grounds that a contractual basis between a private company in Canada and a private company in Germany should not be cause enough to ignore the rights of workers who are skilled and competent?

Mr. Andras: Mr. Speaker, I will be glad to give the representation consideration.

* * *

IMMIGRATION

ARREST OF CERTAIN PERSONS IN TORONTO—NUMBER REGISTERED PURSUANT TO NEW REGULATIONS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary question. It is more or less a related question. It is still in the same area.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Alexander: It is a supplementary.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a supplementary question, a related question or, if he wishes, one that is not related at all. After that, we will then have to call orders of the day.

[Mr. Marchand (Langelier).]

Mr. Alexander: Can the minister now bring us up to date with regard to the arrests in terms of numbers as of now and, further, can he give some indication as to the numbers who have registered to date pursuant to the new regulations?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, 34 persons were arrested and detained in Toronto last week, all of whom had not been considered bona fide non-immigrants at the time they sought admission to Canada. All had been released previously under bond which carried the requirement and condition they would appear at a specified later date for a special inquiry, but all of those arrested had failed to so appear. They were arrested while attempting to register for employment visas and detained under Section 17(2) of the act. Inquiries will be held this week.

One person was arrested in Montreal. This man had previously been ordered deported and had appealed unsuccessfully to the Immigration Appeal Board. He said he would take voluntary departure but failed to do so. That is the sum total of the number of arrests to date that my information now indicates. I do not have full details on the number who have registered, but during the period February 26 to March 31 it was slightly under 10,000 people.

* * *

PUBLIC SERVICE

REQUEST THAT GOVERNMENT ADOPT POLICY OF EQUAL PAY FOR EQUAL WORK

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is supplementary to the one raised by the hon. member for Dartmouth-Halifax East. It is a very important question. I direct it to the President of the Treasury Board. In the interest of settling the dispute which is under the jurisdiction of the minister and could very seriously curtail activities on both coasts and in the interest of equality of opportunity for all Canadians, especially those in the federal jurisdiction, is the minister prepared to announce that it is government policy to pay Canadians under federal jurisdiction equal pay for equal work regardless of the part of Canada in which they may be located?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the quick answer is no. What the hon. member has suggested is, I think, producing local dislocations in pursuit of some unattainable objective.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to direct a supplementary question to the Minister of Regional Economic Expansion. In view of the fact the minister is responsible for problems in areas of regional disparity, what has his advice to the government been in areas under Treasury Board jurisdiction where the issue of inequality of pay for equal work in different parts of the country is involved?

Mr. Speaker: Order, please. I would not think a question in those terms is in order. Before calling orders of the day,

the Chair will recognize the hon. member for Prince Edward-Hastings.

Some hon. Members: Oh, oh!

* * *

AIR TRANSPORT

REQUEST FOR ACTION TO ENSURE CONTINUANCE OF CUSTOMS PRECLEARANCE

Hon. George Hees (Prince Edward-Hastings): That was certainly well worth waiting for, Mr. Speaker. I wish to direct my question to the Minister of Industry, Trade and Commerce. As customs preclearance at airports is of great assistance to the large number of Canadian businessmen who go to the United States every day to sell Canadian products and the large number of American businessmen coming to Canada to buy Canadian products, will the minister speak to his colleague, the Minister of Transport, and ask him to get the lead out and get this matter straightened out so that this very necessary service can be maintained to assist those who want to build Canadian trade?

Some hon. Members: Hear, hear!

Mr. Speaker: Orders of the day.

Mr. O'Sullivan: Mr. Speaker, I hesitate to rise on a question of privilege, but I do so to make a very serious appeal to Your Honour as the protector of all members of the House. Perhaps no members know this more than those of us who grace the back rows. Your Honour has heard many representations, complaints and suggestions about the question period. Your Honour has undertaken to ensure that there will soon be changes made so that the question period will make parliament what it should be.

Again today we have seen that the question period is not working. I have personally experienced this. There were a number of serious questions of national and urgent importance to be posed to the Solicitor General. They could not be put because the time limit forced Your Honour to move on to other subjects and legitimate questions of other hon. members.

My question of privilege is simply an appeal. While we appreciate Your Honour's undertaking that a review is being made of the question period, on behalf of all hon. members I urge Your Honour to speed up that process because we are in serious straits under the present situation.

Some hon. Members: Hear, hear!

Mr. Speaker: The reference to the question period made earlier by the Chair was to the effect that the matter would be studied by the Standing Committee on Procedure and Organization. I believe that the matter will be looked into by that committee. If hon. members wish to make representations in this regard, they should make them to the chairman and members of the committee. I suggest to all hon. members that one reform that could easily be adopted would be for members asking questions to exercise more self-discipline—

Some hon. Members: Hear, hear!

Mr. Speaker: —by limiting the length of the questions posed to ministers and by limiting the number of supplementaries. When we have as many supplementaries as we had today on practically every question that was asked, it is unfortunate that some members, usually those in the back rows, are penalized. In such circumstances it is unfortunate that members in the third, fourth and fifth rows are penalized from day to day when there are too many supplementaries.

Mr. Lundrigan: Mr. Speaker, I wonder if it would be possible for the chairman of the Standing Committee on Procedure and Organization to make a report, either later today or tomorrow, in order to give us some idea of what progress has been made. The question raised today by the hon. member for Hamilton-Wentworth was brought to the attention of Your Honour and the House five or six weeks ago. I think at that time all hon. members agreed that something had to be done, perhaps along the lines suggested by Your Honour, to make the question period more workable. I think this would be an appropriate time to have a report on the work being done to see if there is some way of lengthening the question period or some other modification that is appropriate.

GOVERNMENT ORDERS

WAYS AND MEANS

INCOME TAX ACT

The House proceeded to the consideration of a ways and means motion to amend the Income Tax Act.

Hon. John N. Turner (Minister of Finance) moved:

That a Ways and Means motion to amend the Income Tax Act, laid upon the table Thursday, March 29, 1973, be concurred in.

Motion agreed to.

* * *

WAYS AND MEANS

INCOME TAX ACT

The House proceeded to the consideration of a ways and means motion to amend the Income Tax Act.

Hon. John N. Turner (Minister of Finance) moved:

That a Ways and Means motion to amend the Income Tax Application Rules, 1971, laid upon the table Thursday, March 29, 1973, be concurred in.

Motion agreed to.

Proposed Legislation

• (1500)

WAYS AND MEANS

AMENDMENT TO PART IV OF CHAPTER 63 OF THE STATUTES OF 1970-71-72

The House proceeded to a consideration of a ways and means motion to amend chapter 63 of the statutes of 1970-71-72.

Hon. John N. Turner (Minister of Finance) moved:

That a Ways and Means motion laid upon the table Thursday, March 29, 1970, to amend part IV of chapter 63 of the statutes of 1970-71-72 be concurred in.

Motion agreed to.

* * *

INCOME TAX ACT

Hon. John N. Turner (Minister of Finance) moved:

That Bill No. C-170 to amend the Income Tax Act be read the first time and printed.

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

* * *

WAYS AND MEANS MOTION

EXCISE TAX ACT

The House proceeded to a consideration of a ways and means motion to amend the Excise Tax Act.

Hon. John N. Turner (Minister of Finance) moved:

That a Ways and Means motion to amend the Excise Tax Act laid upon the table Thursday, March 29, 1973, be concurred in.

Motion agreed to.

* * *

EXCISE TAX ACT

Hon. John N. Turner (Minister of Finance) moved that Bill No. C-171 to amend the Excise Tax Act be read the first time and printed.

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

* * *

WAYS AND MEANS

CUSTOMS TARIFF

The House proceeded to a consideration of a ways and means motion to amend the Customs tariff.

Hon. John N. Turner (Minister of Finance) moved:

That a ways and means motion to amend the Customs Tariff laid upon the table Thursday, March 29, 1973, be concurred in.

Motion agreed to.

[Mr. Turner (Ottawa-Carleton).]

CUSTOMS TARIFF

Hon. John N. Turner (Minister of Finance) moved that Bill No. C-172, to amend the Customs Tariff be read the first time and printed.

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

* * *

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed, from Monday, April 2, consideration of the motion of Mr. Gillespie that Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, when I spoke in this House on May 31 last year on Bill C-201, the foreign takeovers review bill, which was the predecessor of the bill now before us, I was not enthusiastic about the government's response in that bill to the problem of foreign ownership in Canada. I said, if I may quote from page 2738 of *Hansard*:

If this bill were intended to be a complete solution to the problem of foreign investment in Canada it would be completely inadequate. Fortunately, it is not being presented in this light by the government, but rather is one in a continuing series of steps, and focusses on the particular problem of takeovers.

While I did expect further steps even in the short run, I must admit I did not expect a bill which would supersede the bill we were debating at that time before it had even passed into law. But I welcome the bill now before us, Bill C-132. It reveals a marked advance in government response and comes much closer to my own perception of what the situation requires.

I realize the hon. member for York South (Mr. Lewis) has already taken credit for this marked advance. Without wanting to be a spoilsport, Mr. Speaker, I suggest there are two other factors which have had greater impact on the change; first, the pressure of members like myself within the government caucus, and second, the pressure of public opinion. I would like to refer briefly to two gallup polls taken last year which dealt with this subject matter. The first of these was reported on August 26 of last year. The question posed was: "Do you think dependence on the United States is a good thing for Canada or not?" The poll revealed that, whereas in 1963, 48 per cent of Canadians polled thought that dependence on the United States was a good thing for Canada, only 34 per cent thought so in 1972 and whereas 44 per cent thought it was not as good in 1963, 53 per cent shared this view in 1972.

Even more to the point is the result of a poll which was released on September 23 of last year. The question asked was: "On the whole, do you approve or disapprove of the

way in which the federal government is responding to United States control of our industry and natural resources?" The result of the poll, taken nationally, revealed that only 34 per cent of Canadians approved. Forty per cent disapproved, and 26 per cent were undecided. Of course, disapproval could come from either side, but these were figures which could hardly give comfort to the government. The election results may also have been a factor, though neither of the parties opposite, because of dissention within their own ranks, dared to make an issue of foreign ownership in the campaign.

Some hon. Members: Oh!

Mr. MacGuigan: Perhaps we can all agree that there is a concordance between the direction the government is moving and the direction in which the public is thinking, and that this is a happy situation.

I should like to draw the attention of the House briefly to the principal differences between this bill and that of last year. The first and most important of the changes is the inclusion in the scrutiny process of entirely new businesses established in Canada by foreign capital. The second is provision for scrutiny of expansion of existing United States firms or foreign-owned firms in Canada where it is unrelated to their existing business activity. The third is the inclusion in the criteria of specific reference to provincial interests, and the fourth is the establishment of an agency, the foreign investment review board, to play a large role in the scrutiny process.

I do not propose to say very much about the first two of these changes, those which deal with new businesses and unrelated expansion. The fact is that without provisions of this kind the attempt to restrict foreign investment in Canada might very well have failed completely. There were so many ways of getting around the proposals announced last spring that they might have been ineffective in dealing with this problem.

The question of the change in the criteria is worth slightly more emphasis, especially since the hon. member for Trinity (Mr. Hellyer) has made the point that there was no consultation between the federal government and the provinces. Of course, the hon. member was wrong. The present Minister of Consumer and Corporate Affairs (Mr. Gray) went across the country last year to consult with all the provincial governments very specifically in connection with the proposals the government was making.

Mr. Hellyer: Were they aware of it?

Mr. MacGuigan: Since then, the provinces have not been shy about making their views on the proposals put forward both last year and this year known to the public.

In clause 2(2)(e) of the bill, the fifth of the criteria is:

—the compatibility of the acquisition or establishment with national industrial and economic policy.

These words are common to last year's bill and to this year's, but this year's bill contains the additional words:

—taking into consideration industrial and economic policy objectives enunciated by the government or legislature of any province likely to be significantly affected by the acquisition or establishment.

• (1510)

It seems to me that while it was previously understood that this was the way in which that criterion would be applied, it marks a useful step forward in our approach to the subject to have it spelled out specifically in the bill. There were legitimate fears on the part of many provinces both in the east and in the west that not enough attention would be given to provincial priorities, and that the federal government might be imposing upon the provinces industrial policies that they would not wish to see take effect in their part of the country. To have this stated as an express concern of the review process is, I think, a very useful addition indeed.

The fourth addition to the earlier bill, the proposed establishment of a foreign investment review agency under a commissioner, is also of interest. It does not change the basic thrust of the review process. The House will recall that last year it was argued by members of the NDP that the scrutiny body should be either independent or at least some branch of the government other than the Department of Industry, Trade and Commerce. I recall having a dialogue during my own speech on the subject with the hon. member for Selkirk (Mr. Rowland). I rejected the point of view that was expressed at that time by the NDP, since I believe that this department does have the expertise necessary to make this kind of review and that the government must assume responsibility for the decisions that are made.

An independent agency would simply not do because it would not be sufficiently responsible to the public and to parliament. The provisions of the bill do not change the fact that the government does bear ultimate responsibility. The words of the act clearly state that the decision to be made is still the minister's. Therefore, he is still completely responsible, though he will have the help of the foreign investment review agency. It would seem that in this way the agency will be of great assistance in expanding the scope of the bill.

The hon. member for Trinity (Mr. Hellyer) has also made a charge with respect to this proposal. Forgive me if I pause for a moment to find the reference in *Hansard* so that I do not misquote the hon. member. The hon. member argued that the determination that will be made in the scrutiny process will be largely subjective, and will depend to a considerable extent on the attitude and approach of the commissioner, the minister and the Governor in Council. According to the hon. member, the latter will reflect the opinion of the key members of cabinet or "in group" in control at the time. He went on to say that the extent of the inevitable subjectivity concerned him. If he means that the administrators will not impartially administer the criteria, then I think he is impugning the public service of this country.

I understand him rather to mean that there was some margin for discretion in the process, and that the government—in this case—will bear full responsibility for the decision that is taken. This is indeed exactly what the bill proposes. The position is exactly that it is the government that will be responsible for the administration of this policy. It is not that some unknown civil servant will be responsible; the government itself will bear responsibility for this, just as it has to bear responsibility for the over-all

industrial policy of the country and for its over-all well-being at any particular time, a matter that the opposition parties are always drawing to our attention.

In general, members of opposition parties seem to be agreed with what is in the bill, at least so far as I can interpret the position that they have taken. In some cases their speeches have been sufficiently beside the point that it is hard to tell how they are going to vote on the measure. But to the extent that their speeches have been specific, it seems that their objection is not so much to what is in the bill as to what they feel is not in the bill. We, therefore, come to consider those other steps that might be taken by the government in the future, either along with or in replacement of this bill.

We have heard a good deal about Mexico, perhaps as a result of the interesting coincidence that occurred between the opening of this debate last Friday and the address on the same day of the honourable President of Mexico, who of course spoke to us of his country's concern with the protection of its political sovereignty through protecting its economic sovereignty, a sentiment with which I think most members of this House are firmly in accord. But that should not blind us to the fact that experience with the particular measures that Mexico has taken has not been an entirely happy one.

I should just like to quote from a source which I believe is both reputable and impartial. I refer to a small pamphlet called "Foreign Investment in Mexico: Some Lessons for Canada" by I. A. Litvak and C. J. Maule and published by the Canadian Institute of International Affairs, which may be presumed, as I say, to be impartial. I should like to quote from page 14 of this pamphlet:

> The most obvious lesson to be drawn for Canada from the Mexican experience with foreign investment is that limiting foreign equity participation to a minority position does not necessarily result in a transfer of effective control to the domestic partner. So long as there is a need for the transfer of technology from the foreign investor, there exists numerous ways by which the investor can set the conditions under which the domestic enterprise will have to operate. These conditions may include limiting export opportunities, tying import purchases, and determining manufacturing, personnel, and marketing policies. In addition, there will be a tendency to dissuade the domestic enterprise from doing any research and development work of its own . . .
>
> The foreign partner, while owning less than 50 per cent of the enterprise, will still try to maximize his return on investment through higher charges for technology, management services, and the pricing of intermediate products purchased from the foreign parent . . .
>
> A second observation based on the Mexican experience is that the "buy-back" strategy can be extremely costly. If local savings are inadequate or not forthcoming to purchase the foreign equity holdings, then resort has to be made to foreign loans with definite commitments as to repayment. The profitability of the purchased sector will affect the ease of repayment, so that sectors with industries in decline should not be the target of buy-back strategies . . .
>
> Thirdly, the administration of policies towards foreign investment in Mexico is an example of an approach which is overly bureaucratic, inconsistent, and poorly integrated with the country's over-all strategy of industrialization. Too many government departments and officials are involved in overseeing too many aspects of foreign investment. Too many guidelines are used to assess each case of foreign investment with too many exceptions granted.

Mr. Blenkarn: Just like this bill.

[Mr. MacGuigan.]

Mr. MacGuigan: I think that comment of the hon. member for Peel South is helpful as an indication of the way the hon. member's party will vote on the bill, because we have been in suspense.

> Finally, failure to appreciate the ways in which foreign investment can contribute to the country's industrialization strategy can result in a situation in which the country is more heavily dependent economically on foreigners, although not necessarily in the form of direct foreign investment.

I think this rather lengthy quotation illustrates the fact that there are pitfalls in the way of the type of approach that has been taken by Mexico. We have the advantage of looking at their experience and profiting from it. Without any further reflections on the Mexican experience, I think I can say that the approach which is being proposed by the government in this bill is one that is soundly based and which should work out very effectively in the future.

Mr. Hellyer: That is a hypothetical assumption if ever there was one.

Mr. MacGuigan: The hon. member for York South (Mr. Lewis), who I regret is not in the House at the moment, has enlightened us with some of his additional proposals and entertained us with others. On the side of entertainment, there was the proposal that our foreign exchange reserves should be used to buy back foreign-held corporations. I have often heard it said that there is a point at which the extreme left and the extreme right come together, and I thought indeed that this was a proposal worthy of the hon. gentlemen to my right. Certainly, I must admit I had not expected to hear it from the hon. member for York South. This is a theory which might be called "the pot of gold at the end of the rainbow" theory. I had thought the Socialist mythology was made of sterner stuff, and I hate to be the one to tell the hon. member for York South that Santa Claus no longer exists, that the pot of gold is not there. It seems to me that someone ought to tell him if no one in his party will do so.

• (1520)

Let me remind that hon. member that our foreign exchange reserves are only something like $400 million.

An hon. Member: How much?

Mr. MacGuigan: I am sorry, $4 billion. Whatever the figure may be, the fact is that Germany recently found that a reserve of $8 billion was not sufficient to halt the monetary problems it was experiencing. What the hon. member for York South has suggested would put us in the position of having difficulty in dealing with foreign exchange policy. Last year I recall his arguing against a fixed exchange rate, and for a flexible exchange rate. But his present proposal would put us in a position of extreme rigidity. Under these circumstances we would have no options at all if we ran into a currency difficulty. Suppose that we did use our reserves to purchase, say the Chrysler Corporation. Then, if an exchange problem arose, we would have to sell the shares again in order to obtain funds to save our currency. This is hardly a good position for Canada to put herself in.

There is in fact no easy solution to obtaining money to buy back that part of our industry which is under foreign

control. The only way to do so is by raising taxes, and the NDP ought to face this fact.

Some of the language used by the hon. member for York South reflects his well-known prejudices against business. We on this side do not share this unreasoned hostility to business, and I do not propose to deal with this subject from that point of view. Some of his concrete proposals are worth looking at seriously.

The first proposal he made was in respect of the screening of imports of parts and components. His second proposal was in respect of the screening of exports of raw materials to be certain they have enough processing in this country before exportation. His third proposal was in respect of the screening of export agreements by multinational corporations. All of these would fall under the criteria this bill proposes.

To return to these criteria, which I did not read in full before, the first of the five proposed is the effect of the acquisition or establishment on the level or nature of economic activity in Canada, including employment. The second is the degree and significance of participation by Canadians in new business enterprise, new business in Canada or new industry of which new business enterprise forms a part or might form a part. The third is the effect of the acquisition or arrangement of productivity, industrial efficiency, technological development, product innovation and product variety in Canada. The fourth is the effect of the acquisition or establishment of competition within any industry or industries in Canada.

It seems to me that at least the first three of these would cover the type of concern the hon. member for York South has expressed. I hope that there will be bargaining in respect of some of these criteria when the minister has to make a decision to approve an expansion of foreign investment.

The fourth proposal by the hon. member for York South was for the screening of expansion of a foreign corporation into related areas. This proposal is expressed in such general terms it is hard to know what the hon. member meant and therefore hard to know what attitude to take toward it. So many questions come to light that one does not know in which way to proceed.

How would one define "expansion"? Is an increase in sales an expansion, even if there is no expansion in the plant itself? An increase in sales could be an expansion because the company may be under-using its existing productive capacity. Does expansion include new buildings, does it include extension of existing buildings or does it mean only when there is an expansion on a piece of land which has not been previously used or on a piece of land that has recently been purchased? It would seem to me that however you define this type of expansion you are likely to find yourself in an administrative nightmare in which all major business decisions are being made by the government. That is not our notion of a mixed economy on this side of the House. Even with considerable qualification of these proposals by the hon. member I think that we cannot find ourselves in sympathy with his ideas.

However, it seems to me there are areas in which we should consider further governmental review, and we should undertake to see whether or not these areas require future review. One of these areas is the drawing on the Canadian capital market of foreign-owned businesses. A review procedure would ensure that a foreign-controlled firm would not use Canadian capital markets at the expense of displacing Canadian users of these funds.

It is hard to get exact statistics in respect of this matter, but it may be that a large part of the foreign investment in this country is financed by money from our own capital market. I am sure we would all like to have exact statistics. If it were proved to be a fact it would seem to me that this is an area in which we would want to impose some control of a negative nature along the same lines as this bill. We would want to control the investment of our own capital by foreign interests. We might also want to limit borrowing by Canadians in foreign capital markets, but that goes beyond the scope of the present bill.

Our greatest industrial need, Mr. Speaker, is for a viable and innovative secondary industry. We require a dynamic secondary manufacturing industry which would both maintain and generate an expansion of the present level of employment in the resource and service sectors. In this context we need, as several hon. members have said, a further rationalization of our industries and a concentration on technological innovation. This is one of the recommendations which has been made to us by the science committee of the other place. The Gray Report has also revealed that technological innovation is one of the casualties of foreign ownership in Canada.

In relation to technological innovation the minister made an important announcement towards the beginning of his speech on last Friday at page 2777 where he said:

> My department is preparing a bill as well, which I hope to introduce very shortly, to provide for the registration of technology transfer agreements. There will also be legislation providing that a majority of the board of directors of federally incorporated companies be Canadian. Measures to increase Canadian participation in the ownership and control of resource projects are under consideration.

The suggestion in this announcement on which I wish to focus at the moment is that in respect of the registration of technology transfer agreements. As the Gray Report states on Page 44:

> Licensing as a vehicle for the transference of a manufacturer's distinctiveness can have many of the same costs and benefits associated with foreign direct investment. The granting of a licence may be used by a manufacturer to spread his market power if he cannot afford direct investment in all markets. It may be used to foreclose entry of a potential competitor by granting him a licence. On the other hand, a licensing arrangement may allow a host economy to acquire a distinctive capacity without the necessity of bringing in other unneeded inputs, e.g., capital. A licensing arrangement can also lead to a more rapid diffusion of distinctiveness through the training it gives a potential competitor. Because of the similarities between foreign direct investment and licensing and other forms of contractual arrangements, much of the analysis which applies to direct investment is also appropriate to licensing arrangements.

While the minister has not spoken of the form which this legislation will take, it would seem to me appropriate that it might be carried on by the same minister with the assistance of the same agency suggested in this bill. I think there would be an advantage in having this done

that way, but we will be looking forward to the proposals of the minister in this respect.

• (1530)

As the constitution committee pointed out in the last chapter of its report to parliament last March, there is a definite need in Canada for the development and indeed the deliberate cultivation of a positive nationalism. We can so easily change into a country which is fragmented in spirit. We need to make special efforts to overcome our regionalism. Such regionalism is indigenous to our country by reason of its geography, its distances, its languages, its culture and its variety. The variety is something I think all of us in this House would like to see preserved. At the same time, because of the very fact that it exists, with a potential for divisiveness, we must be especially conscious of the need to cultivate a positive nationalism. As I see it, a positive nationalism is vital to our future and this bill is vital to the development of a positive nationalism.

Mr. Don Blenkarn (Peel South): Mr. Speaker, we were told after the October 30 general election that this government had learned some lessons. It surprises me therefore that the government should have the nerve to introduce the same poor bill, with minor alterations—changes which merely add to the preamble in respect of the establishment of new businesses in Canada by certain persons. All I can say about this is fiddle-de-dee. It is the same inept bill. It was inept then and it is inept now. It is amazing to realize, in view of the fact the party to the left of us was so anti-Bill C-201 last year what the bedroom can do to change a party's attitudes and principles. What was considered bad last year is now praised by the party to the left. No one may criticize the preamble to this piece of legislation. The problem is that this bill embodies a philosophy which does nothing for business and does nothing for Canadians. It is a bill which starts off by saying "thou shalt not."

Clause 2 of the bill still contains the same subjective analysis problems. There are no real criteria concerning what will be good for the development of Canada. It still refers to percentages of shareholdings. Indeed truly real Canadian companies are suddenly deemed to be foreign companies just because 25 per cent of their shares lie in other countries, or because in some cases one foreign shareholder holds 5 per cent of the shares. This is no way to deal with Canadians. In many cases, the companies now deemed by this bill to be foreign are really Canadian companies.

I was surprised that the minister, having mentioned the positive steps he intended to take, did not completely rehash this measure and provide as a minimum requirement that at least the majority of the directors be Canadians and that at least Canadian talent be represented in senior management. We still see the incension of the 90-day review. We still see the possibility of the review carrying on forever. We still have the provision under which, should the minister think I intend to sell a business or that perhaps you, Mr. Speaker, intend to sell a business to foreigners, he can send in his troops to investigate us just because he has reasonable grounds to believe such a sale is contemplated. That is the kind of thing we object to. It is not necessary. It is not the kind of thing which develops a positive Canadian nationalism.

This bill will develop a huge bureaucracy to inquire into investment decisions which people make. The whole question of foreign review has been investigated by some provinces. In the province of Ontario a standing committee of the legislature has been sitting since this time last year looking into the whole problem of foreign ownership and the way in which it affects our culture and our business activities, as well as the development of our nation. That committee has held several hearings, including hearings held right here in Ottawa. When Bill C-201 came before this House and the standing committee last year, nine days were devoted to hearings—they were not nine full days because each session lasts for only an hour and a half.

I suggest that if this bill passes second reading—and there are grave doubts about that—the whole issue of foreign ownership should be reviewed by a House committee. We must call in experts from industry and the market. We must call in people from the provinces, We must hear from the banks, the life insurance companies and the pension funds. We must go to specific industries and find out whether the activities undertaken as a result of this bill will hurt rather than help in the development of Canada particularly with respect to oil and gas, mining, the auto industry, transportation, printing, publications and communications. It is important that we look at these things because the bill means that if a company has gross assets or $250,000 or if a small-town auto dealer has help from Motor Holdings, even though he lives in that small town and is a Canadian, his company is deemed by this bill to be a foreign corporation. This is the type of thing which must be studied to determine whether it contributes to a better Canada, contributes to the development of the country and as well provides for Canadian ownership.

The practice of my party in debates this session has been for individual speakers to concentrate on parts of the Progressive Conservative program and so present our program to the people of Canada and to the members of the House. Today I want to talk about taxes, the tax policies of this government and how those tax policies affect foreign ownership and the development of Canada and prevent, in many cases, Canadians becoming masters in their own house. The other day the hon. member for York South (Mr. Lewis) said that all the Tories want to do is talk about taxes, because if taxes are reduced the wealthy and the privileged will be better off. Perhaps he is right to some extent. But his party is worried that some one will make some money, that some Canadian will become wealthy, that some Canadian will all of a sudden be successful in Canada and will take advantage of his opportunities. That party would have us in the blue uniforms of China. That party would have us in the straitjacket of Bolchevism. That party does not give a darn about Canadians. That party wants to stifle enterprise, stifle initiative, and stifle progress, and that is why they stand condemned.

• (1540)

Mr. Knight: Same old gang.

Mr. Blenkarn: What danger is there in giving Canadians some money? This party talks about the amount of money that goes to foreigners. For the sake of the hon. member for York South—and I am sorry he is not here—I could say that in 1972 well over a billion and a half dollars in Canadian money went across to some other country in the form of dividends, remittances or allowances to pay for the foreign investment we have in this country. By 1982 it will be at least $2.6 billion per annum, and something radical must be done because this country must be owned by Canadians. This is our country, and we are not going to build a better country with negativism, backward talk, and socialism.

Some hon. Members: Hear, hear!

Mr. Blenkarn: There is nothing wrong with people becoming rich, and I hope many Canadians become rich. I hope they make a profit. That is the kind of thing we on this side of the House are talking about. We are talking about opportunities for young people and older people. We are talking about equality and about the improvement of Canada.

Dealing with tax problems, I said during the election campaign that it was a miracle that Canadians would even bother investing in Canada at all. We have probably one of the highest graduated tax rates on personal income in almost any country in the world. Our tax rates rise to 45 per cent when someone makes $15,000 of taxable income. This tax level does not just affect those fortunate few who are managers of corporations and the like, but it affects auto workers, teachers, and construction machine operators. These people are not highly paid people in the inflationary economy which we now have; they are ordinary Canadians who want to have opportunities in Canada. These Canadians are taxed at such a high rate that they are prevented from saving. They are taxed on their savings and they are taxed higher possibly than people in any other country in the world except Sweden. We have to supply Canadians with the incentive to invest, to acquire, to save and to build, and we will not do that for Canadians with this enormously high tax rate.

Speaking further on the question of personal tax matters, there are provisions in the Income Tax Act with regard to registered retirement savings plans. Unfortunately, those plans are bound up in red tape. They really prevent the investment of funds in pension plans and venture activities. I am sorry the Minister of National Revenue (Mr. Stanbury) is not here, but I suggest to him that we need to liberalize the investment requirements in registered retirement savings plans so that Canadians will be able to acquire to some extent risk equity in planning for their future. These are changes that need to be made.

I want to speak next with respect to the policy of taxing dividends. It became apparent at one time that if a company earned a profit, it paid a corporate tax. Then, when the dividend is passed on to the shareholder, that dividend bears a tax again. In the amendments to the Income Tax Act, the advantages of the dividend tax credit to many Canadian investors was seriously limited. I do not know whether the minister has looked into this, but I have had an economist do this and I understand that the cost of removing any tax on dividends to Canadians from Canadian corporations would cost the national revenue less than half the cost of last year's LIP. That would be of great advantage to Canadians investing in stock in Canadian companies. The dividends you receive would not bear any further income tax. That would be an incentive and a positive program.

We have a series of problems in connection with remittances that go from one foreign-controlled corporation to another. Somewhere along the line it is necessary for a government to monitor what I would call inter-office charges. International companies have considerable latitude in evading fiscal and monetary policies. They can be obviated through the taxes on retained earnings, in one subsidiary of the parent company. They can be obviated by transfer prices for goods and services exchanged in inter-company transactions. If a country does not get its share of taxes from the profits of international pricing procedures, then it loses almost all of the benefits of direct foreign investment. Customs officials have difficulty in determining duty valuations for inter-company transfers, especially when unique products are concerned such as computer tapes of technological information. These are the kinds of things that I thought this minister would introduce as positive measures when he was talking about foreign controlled corporations and the way they do business in Canada.

Then, there is the matter of the withholding tax. It is amazing that our major trading partners are still able to invest money in Canada, take it home with them and pay only a 15 per cent withholding tax on their income. No effort has been made by this government to renegotiate the tax treaties in connection with the withholding tax. A Canadian pays up to 60 per cent tax on his income: a foreigner comes to Canada, invests in a mortgage or in a building, takes his profits home with him, and leaves Canada 15 per cent in tax. That is what Liberals called encouraging Canadians. That is the policy of this government, and they have done nothing about this matter. These are positive measures in connection with taxation. Of course, speaking of the withholding tax, while Canadians pay capital gains taxes, foreigners in this country are not required to pay such a tax to the government of Canada on the capital gains they make in Canada. The hon. member for Trinity (Mr. Hellyer) said that this government has done more to sell out Canada than any other government in the history of Canada. Certainly it has never introduced a positive measure in respect of foreign control to assist Canadians in owning their own country.

We must also index the cost on capital gains taxes because capital gains, to some extent and in many cases, are not really a gain but an inflationary increase in price. So what we have to do in the capital gains tax portion of our tax legislation is to provide that increases in the cost of living are added to the base costs as determined at valuation date in determining the capital gain made on a sale. At present this is not the case, and this should be done in all fairness to Canadians.

• (1550)

One of the problems with respect to capital gain is the deemed realization of the gain on death. This has been mentioned with respect to the family farm. I should like to say something about it with respect to the family business.

The private entrepreneur often has all his eggs in one basket. They may be all in his private company. If he dies there is a deemed realization of his assets. You go back to valuation day, and even with the indexing I am talking about, there can well be a gain. That gain is immediately taxable, and the tax becomes instantly payable. We must make positive recommendations for allowances to Canadians so that if this occurs they will have at least ten years, at low interest rates, to pay back the tax chargeable as a result of this death or of a sale.

Efforts must be made to allow investment credits to persons who invest in small Canadian business. This whole matter will be dealt with later by members on this side, but the proposals made by the Leader of the Opposition (Mr. Stanfield), during the election and since, in connection with allowing at least $5,000 per annum for those who invest in small business, must be given serious consideration as a positive incentive to Canadians to invest in Canada. We must attack the restrictions on business. We must make a conscious effort in this parliament to eliminate as much red tape as possible, as well as other things that adversely affect Canadian business.

The other day a businessman came to see me. He said, "Look, why should I have to file a bond for the sales tax department? After all I have been in business for 15 years, but they still won't trust me." It is about time the government started trusting Canadian businessmen. It is time it said, "You have been a good customer and paid sales tax regularly for 15 years, so we can trust you to remit your tax once a month. We don't require this additional red tape."

We ought to eliminate some of the needless statistics required for Statistics Canada reports. These cost money. They are a disincentive to Canadian business. We must do something, as I said earler in this session in connection with the Income Tax Act, to make it easier for business to file the returns required on T4 slips, T5 slips, T2 slips, and information in respect of deductions required weekly for employee UIC contributions, the Canada Pension Plan, hospital insurance and the like.

Lastly, we must look into the corporate tax rate. The government has proposed a reduction to 40 per cent of the corporate tax rate for manufacturing corporations. But we find that in the aggregate 58 per cent of manufacturing corporations are owned by foreigners. So, really this particular tax reduction was aimed primarily at assisting foreign corporations by giving them a tax break. This is the policy of the government. That is not the answer. What we should explore is a method whereby Canadian corporations are given a lower tax rate than corporations owned by foreigners. This would encourage Canadians to own corporations in Canada. Our present tax laws are in fact forcing the few multinational corporations owned by Canadians, and operating around the world, to think about leaving Canada.

The publication Business Week of March 17 last reported that Massey-Ferguson is seriously considering not retaining its head office location in Canada any longer because of the way in which the Income Tax Act affects foreign investment by our multinational corporations. Several corporations that were Canadian are no longer Canadian. They found that doing business in Canada as Canadian corporations was not profitable. That is no way in which to build Canada, but that is the policy of the Liberal government. The principle "Thou shalt not" upon which this bill operates, is one which should not be encouraged.

This is a bill which provides for penalties, which provides for bureaucrats, which provides for investigations, and which provides for reviews. It is a bill that says, "Give us more policemen." It is not a bill which does anything to encourage anybody. Indeed, it does the opposite. I am sure that is why the NDP and the Liberal party are together here, because they both believe in Big Brother. They both believe that business in itself is bad. They both believe that free enterprise must be controlled and hamstrung. They both believe Canadians cannot be trusted.

Our approach to this bill clearly demonstrates the philosophical difference between our party and what I am going to refer to from now on as the New Liberal Democratic Party. Our party believes in Canadians. Our party will trust Canadians. Our party will give Canadians incentives to build Canada, not just more controls.

Before I sit down, Mr. Speaker, I want to remind you of this minister's record. Look at the Export Development Bank. There is a pile of money there, but where does it go? He makes sure that the foreign owned corporations get their share. Look at the advances to Michelin, Gulf Oil, Douglas Aircraft and IBM. This is the approach of the government with respect to handouts. It will not be the approach of this party when we form the government shortly.

We believe a government of Canada should do everything to ensure that Canadians own their own homes and are able to own shares in Canadian business. We believe in personal, private stakes in Canada, in taxes, in bank borrowing, in development policies and in resource utilization. This party, Mr. Speaker, is the "Canada first" party. This party has been the Canada first party since the days of Macdonald, and this party will continue to be the Canada first party. This party is not the party of big bureaucracy and big control. That is the philosophy of the New Liberal Democratic Party.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I am one of those on this side of the House who felt that the foreign takeovers review bill which was presented in the last parliament did not go really far enough. It did not go far enough toward what I consider to be the most important national goal, that is having a Canada which is master in its own house; having a Canada which is in control of its own economy. I mean having control of its own economy, Mr. Speaker, to the maximum extent that is possible in a world which is becoming increasingly interdependent.

• (1600)

The government's response so far to problems involving foreign ownership and control of industry in Canada and of our natural resources, has found only very limited favour with the people of this country. According to one Gallup Poll that was released last September, only 34 per cent indicated satisfaction with the record of action so far. Another 40 per cent were critical of it, and it is the views

of those persons that I should like to consider for a moment.

Those who said they were critical of the government's handling of the problem of foreign ownership and control were asked to explain why they felt as they did. Almost half of them answered in terms of general dislike of foreign economic domination of this country. Most of them, by the way, felt that this foreign domination meant U.S. domination. "We should run our own country", they said and, "the U.S. is taking advantage of us". A labourer from Ontario put it this way "We are becoming a little America". Well, Mr. Speaker, there seems to be ample evidence to support those feelings. It is certainly not part of my dream for Canada that we become nothing more than an economic appendage to the powerful American republic.

In the past few years, the Canadian public has become increasingly aware of the extensive nature of foreign ownership and control in our country. A growing percentage of people in Canada are coming to regard foreign ownership and control of our industry as undesirable. An examination of the reasons on which this opposition to foreign ownership is based indicates a concern on two predominant issues. The first of these is the loss of control in making decisions strictly in the interest and to the benefit of Canadians; the second is the economic loss, the loss incurred when profits and dividends leave the country.

There was a time during our quite recent history when it could be said that in Canada there was a conflict between two national aspirations, the desire for rapid economic development on the one hand, and the desire for cultural and political autonomy on the other hand. Even in the midst of such a conflict, however, Mr. Speaker, there were always those who pointed to that which has now become quite obvious, namely, that economic domination and political domination are inextricably bound together.

In the past, too much attention has been paid to the assumed benefits of foreign investment and not enough was said about the drawbacks. In recent years as the evidence accumulated concerning the extent of foreign ownership and control in this country, more and more Canadians have come to realize that the penalties substantially outweigh the benefits. What penalties? Certainly, one is the loss of control in making decisions strictly in the interest of and to the benefit of Canadians. How can we effectively make economic plans with any degree of confidence if a board of directors meeting thousands of miles away in another country is making major decisions about industries which it owns and operates in Canada and which directly affect our economic life? Those are economic decisions.

Political decisions as well can be affected by a high degree of foreign ownership and control. The Wahn Report put it this way:

> The danger which Canada must guard against is that it will drift into such a position of dependency in relation to the United States that it will be unable, in practice, to adopt policies displeasing to the United States because of the fear of American reaction which would involve consequences unacceptable to Canadians.

Probably the most critical aspect of this relationship of dependency is the fact that it makes it increasingly difficult for Canada to establish its own regional development objectives. Large companies invest in Canada to extract resources for the American domestic market. Their investment decisions quite naturally reflect the industrial priorities of their economy, not ours. In the resources sector, one of the major reasons for American control is to ensure a stable source of raw materials for the parent company in the United States.

I have heard it argued, Mr. Speaker, that a vigorous, truly effective foreign ownership policy would work against the less developed regions of Canada and that only the more advanced regions of this country would benefit. In my view, such an argument is a fallacious one because I firmly believe that Canadian ownership and control allows for the possibility of a more rational and more long-term development policy. I believe it allows for a much greater opportunity to eliminate the chances for undue exploitation of people, of communities and of resources. The Canada for Canadians policy must, of course, be introduced in conjunction with a vastly improved program of regional economic development on the part of the federal and the provincial governments working in closer harmony. It is sometimes said that capital from the United States or some other country is needed to help our economic well-being. There are others who are quite convinced, and have statistics to back up their belief, that extensive foreign ownership and control means an economic drain rather than a benefit—a drain whereby profits and dividends leave the country.

Recent studies have shown that there is no actual shortage of capital in Canada and that new American capital which comes into our country is far exceeded by the export of capital to the United States by Canadians. Professor H. G. Aitken in his study of 1961 entitled "American Capital and Canadian Resources", showed that over 75 per cent of American investment was financed by Canadians through retained earnings of foreign branch plants operating in Canada, depreciation and depletion allowances granted those corporations by the Canadian government, and by funds raised abroad by issuing stocks and bonds on the Canadian money market. A more recent study has confirmed Professor Aitken's findings and has shown that the trend is increasing. In the areas surveyed, new funds from the United States amounted to 10 per cent—and I am talking about actual new funds, not recirculated funds—in 1963 and only 4.8 per cent in 1968.

Do we have enough domestic capital in Canada? The Gray Report answered that question. It suggests that Canadian savings are already large enough to sustain both greater growth and fuller employment than we have at the present time. So, despite a smaller percentage of actual new capital coming into Canada from the United States and despite the availability of adequate Canadian capital, foreign ownership and control is still increasing and it is increasing, Mr. Speaker, at a very alarming rate. According to the Gray report, in 1948, 43 per cent of our industry was foreign owned and in 1968, it was 58 per cent. This fact has led one distinguished economic nationalist to state that the problem in Canada is not foreign investment as such, but rather foreign ownership and

control. He went on to say that our high degree of non-resident ownership and control produces an emasculated country without the characteristics of a sovereign nation.

• (1610)

It is said that the foreign investment and review bill now before us is a response by the government to the fact that non-Canadian control of Canadian industry, trade and commerce, and its effect on the ability of Canadians to maintain desirable control over their economic environment, is a matter of national concern. It is said that the measures contained in the bill will help Canadians develop an expanding economy for the benefit of Canada. These measures are to form part of the government's efforts to put in place a clear set of industrial policies to encourage national objectives. It is said that this legislation complements a whole range of positive measures to build strong Canadian entrepreneurship, to encourage a high level of economic activity and to provide incentives for Canadians to invest in their own country. I want to be optimistic enough to believe that this bill will do all these things, but I must say that I regard this bill as a rather cautious proposal, one which I trust will move us in the right direction, but cautiously.

In considering foreign takeovers and the establishment of new businesses by foreigners, the government will examine carefully the effect of economic activity, particularly employment, the degree of significant participation by Canadians in the business or the industry that is going to be examined by the review process, the effect of the proposed investment on productivity and competition in Canada and, finally, the compatability of the proposed investment with national, industrial and economic policy objectives. One would certainly be hard pressed to see in this approach any suggestion of narrow nationalism, but those who see it as a bit too timid may be on firmer ground. That we need a review process, there can be no doubt. That we will need more in the future seems obvious. The issue of foreign ownership and control is of deep concern to Canadians and it will continue to be more so in the years ahead. This is a problem and an issue facing Canadians that is not going to go away. It is going to be with us for a long time.

I suspect that Canadians are going to demand that their federal and provincial governments continue to take steps to deal with this issue. At this time, I would say that Canadians and their governments are still somewhat uncertain about what the optimal answer may be, but the people of Canada do expect us to take firm, all-embracing steps to curtail the growth of foreign ownership in this country. There can be no doubt about that. They expect us to do this while at the same time taking steps to ensure that the potential growth of Canadian business is realized. Bearing those things in mind, I suspect that this government is trying to find a safe and workable middle road.

Our citizens demand of their governments effective measures which will result in a stronger economy for the full benefit of all Canadians. They want, and will want more so in the future, a restoration of control over their own economic destiny. I strongly suggest to this government and to parliament the wisdom of providing continuous leadership in these directions. We should do that rather than follow far behind the aspirations of the Canadian people we have been called upon to lead.

[Mr. Penner.]

Some hon. Members: Hear, hear!

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, perhaps I should first comment on the address given to this House today on the bill before us by the hon. member for Thunder Bay (Mr. Penner). He said that the bill was a cautious proposal. Coming from a member of the Trudeau Liberal government, I suggest that is an understatement. The bill is, indeed a cautious proposal.

I read the speech of the Minister of Industry, Trade and Commerce (Mr. Gillespie) when the bill was introduced. He stated that Liberal policy on foreign investment is based on two pillars. If I may, I would like to refer to them as the pillars of Gillespie. I suggest those pillars are just as mythical as the pillars of Hercules.

The two pillars referred to by the minister are first, positive support for the development of Canadian-owned and controlled corporations and, second, positive measures to maximize the benefit to Canada of foreign investment. My, how high sounding that is. If we take a deeper look, not only at the words of the minister, but more importantly, at the actions of this government over the past 10 years, we will see how shallow his pillar reference is in fact.

The Trudeau Liberals and the minister took a great deal of time to point out what they felt the problems were today. I suggest there is no one in this House who should know better than the Trudeau Liberal government what the problems are because the problems substantially grew during their 10 years in office. I suggest that these problems have been well outlined and explained by a committee on finance of the United States Senate which filed their report in February, 1973. Before the committee finally considers the bill we are debating today and refers it back to this House, I suggest every member of this House should read the report of that committee on finance of the United States Senate which was chaired by Russell B. Long.

In their report, they reviewed the implications of multinational firms for world trade and investment and for United States trade and labour. This report, which covers almost 1,000 pages, reviews on a global basis, the effect of multinational corporations around the world. There are many references to Canada. I wish to point out only two or three of them today. At page 96, the report points out and I quote:

> Canada because of proximity, language, and common interests, was viewed for many years by U.S. companies almost as another state. Some of these companies' annual reports included the Canadian results with the domestic totals instead of in the foreign section. The Canadians welcomed this investment which brought them rapid economic growth and a high standard of living at the cost of foreign economic domination of many of their industries.

• (1620)

Then, there is this comment, and I think it is very relevant:

> More recently, the Canadians have raised questions about this foreign domination but they have not attempted to reduce it significantly.

That is the Finance Committee of the United States Senate speaking. It is speaking as of February, 1973 in reference to the actions of the Trudeau Liberal government with respect to the problem the government feels will be lessened as a result of the bill before us today. The report goes on at page 97 to set out a chart on which is recorded the growth of direct investment by United States multinational corporations around the world. The figures compare the situation in 1960 with that in 1970 and they show that direct investment in Canada rose from $11.2 billion to $22.8 billion in that period. I think it is significant to note that those are mainly the years of Liberal government in Canada. The U.S. Senate committee mentions for example, that, by deliberate choice, Japan, in contrast to Canada, has successfully restricted foreign direct investment in productive facilities. Again, I remind the House that this is a committee of the U.S. Senate commenting on our performance as far as the United States investment around the world is concerned. I think it is fair to say that, in general, the tone of this committee report is one of utter amazement at the inactivity of the government in Ottawa faced with th problem hon. gentlemen opposite feel they are coping with in the bill before us today.

I do not wish to take up the time of the House unduly by discussing all the various points made in this report, but it is of particular interest to find the committee mentioning, specifically, that research and development tends to favour parent corporations at the expense of subsidiaries. I shall touch on this matter later.

I feel that when we discuss the problems which face Canada in this field at the present time we should bear in mind that the problems have been well spelled out. What we need are the answers, and I suggest that the minister, in his address to the House, has failed to provide those answers. I do not feel that the bill he has proposed is, in itself, an answer.

Allow me to return, for a few moments, to the subject of the "pillars of Gillespie". I would remind the House that he said they constitute a positive support for the development of Canadian-owned and controlled corporations and positive measures to maximize the benefit to Canada of foreign investment. Let us examine two or three of the areas which the minister has under his jurisdiction. I refer particularly to the anti-dumping legislation and to the activities of the Export Development Corporation. We find that this government, which speaks so righteously on this bill, has not maintained in practise the pillars of Gillespie. Its actions with respect to anti-dumping measures and the Export Development Corporation do not bear out the minister's words. Here is a minister who says the government stands for small business, that it stands for the proper development of Canadian-owned and controlled corporations.

Let me tell hon. members the tale of the tanning and shoe industry in Canada. This industry has been inundated by imports of goods from all over the world. Its representatives have made numerous trips to Ottawa pleading for something to be done to set a quota so that they might be able to carry on as an industry. Part of the answer by the government was to refer the plight of the industry to the anti-dumping tribunal. Appearing before a committee of this House, the chairman of that tribunal confirmed that the reference to them had been made in November, 1971 but he said that to date the committee had not reported on its findings concerning the industry. The industry has now stated that unless something is done on an emergency basis it will literally be out of business by 1975. In the last five years, 3,000 employees have lost jobs in this industry because of the failure of the federal government to do something about the importation of foreign goods.

What I am suggesting, Mr. Speaker, is that if this is an example of the type of agency or tribunal the minister proposes to set up to solve the foreign ownership problem facing this country it is a sorry precedent. Such an agency would be a totally inept vehicle for coping with the problem we are considering today. I would point out that the chairman of this anti-dumping tribunal, who receives a salary of $34,000 a year, and his two assistants who between them get another $60,000, operate on a budget in excess of $300,000. They have dealt with six references in the current year. The average number of references since the tribunal was set up in 1969 have been five or six a year. I take it this is what the minister calls action. He can slough off a problem without worry that something will be done for 16 months or so in the case of the tanning and shoe industry. The tribunal to which I have referred has sat on the matter while a 100 per cent Canadian-owned industry dies.

Consider the question from another aspect. How can the government actively assist Canadian business? Take the Export Development Corporation, for example. In this case we find that the No. 1 multinational corporation in the world, General Motors Corporation, has been very fortunate in Canada. In 1973, it recorded sales in this country worth approximately $2.5 billion. The corporation's net income was approximately $80 million. But I wonder whether the minister realizes this: in the years 1970 and 1971, the net income tax paid by General Motors of Canada Limited amount to approximately $35 million. Here is a corporation with net sales, if we join the two years, amounting to almost $4 billion, which pays approximately $35 million in Canadian income tax. To put this into a world perspective, the parent company recorded sales of $28 billion around the world in 1971 and paid $1,900,000,000 around the world in taxation. I suggest that our tax program certainly has not been unfavourable to this corporation.

Most surprisingly, though, the Export Development Corporation has extended credit in the past year or so, mainly to Yugoslavia, in a total amount of $57 million for the benefit of General Motors. As at the end of December 1972, almost $50 million of that amount was still outstanding. It represented almost 6 per cent of the total ceiling that parliament granted to the Export Development Corporation for such assistance. In the two years 1970 and 1971, General Motors paid through it Canadian subsidiary $35 million, but it reaped the benefit of financing through the Export Development Corporation of some $50 million as at the end of last year.

• (1630)

As mentioned earlier in the House, the financings of the Export Development Corporation are generally around the high 6 per cent or the low 7 per cent a year level.

Those financings as a rule are on a 10 to 15 year basis. So, how nice it is, Mr. Speaker, to be such a corporation in Canada!

I should not, of course, stop at the General Motors of Canada, Limited example since eight corporations shared half of the one billion, some odd million dollars worth of financing that was arranged by the Export Development Corporation. Of that number, over half were foreign controlled. So, we have the odd situation where the minister comes into the House and, with a few words, spells out a beautiful picture showing how effectively the government is dealing with the problem of multinational corporations in Canada. On the other hand, the actions of his department's Crown corporation and of his anti-dumping tribunal spell out a totally different picture of what the Trudeau Liberal government is in fact doing for Canadian businesses and how they are not solving the problems created by foreign multinational corporations in Canada.

There is a total lack of vision and courage on the part of this government is projecting ahead on a five or ten year basis. It would be a great accomplishment for this parliament to get the present Liberal government to think past their next press release. Press releases seem to be the best thing this government has been able to do during the last four to five years.

Having said that, I believe it is extremely important that my party's position be reiterated on the subject we are discussing today. The hon. member for Trinity pointed out in his initial speech many of the problems that have not been dealt with in the bill. But most importantly, he outlined what the Progressive Conservative party believes would be a sound, positive approach to help Canada in its present position. First, I wish to reiterate that our full employment proposals include a more expansionary budget, coupled with wage and price controls.

An hon. Member: That is five times you have said that.

Mr. Stevens: Just on that point, in reply to the hon. member, may I say that we should say it one hundred times, because hon. members opposite have not started to listen to us. I suggest that this point is no better demonstrated than by what the Minister of Finance (Mr. Turner) said last evening when he was before the—

Mr. Roy (Timmins): A point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Timmins on a point of order.

Mr. Roy (Timmins): Would the hon. member permit a question?

Mr. Stevens: I would be more than pleased to take a question later, Mr. Speaker. If I may continue, I point out that the Minister of Finance appeared last night before the finance committee and he and his assistants showed a complete lack of knowledge of the operation of the wage and price controls that have now been instituted in the United States. Theirs was an unbelievable performance. Yet hon. members opposite have the audacity to carry on and govern this country.

Our second point is that we believe our tax laws should be changed so as to encourage greater savings, investment and risk-taking by Canadians. At the present time, taxwise an American is in a more opportune position to invest in Canada in many fields than is a Canadian. This situation must be changed to ensure that a Canadian has an advantage if he wishes to invest in such fields in his own country.

Third, we say that Canadian business in general has fallen behind the world in the last few years in research and development. Federal leadership is required to allow us to regain our momentum in this important field, and we intend to outline certain proposals to allow our businesses, especially those Canadian controlled, to regain their ascendancy in the world.

Let me underline our party's position. Research and development are the forerunners of business development. During the last ten years Canada, with all its resources, and potential has fallen into the bottom third of the first 25 countries listed in the World Atlas for 1972 in terms of rate of growth per capita. For a country with the potential of Canada, I think this is a disgrace. It is time that that trend was changed, but it will not change until the government is changed.

Fourth, the Progressive Conservatives believe that our financial institutions should be redirected and structured to ensure that Canadian entrepreneurship can be properly financed within Canada, including a proper financing of regional activities of companies in our five main regions. I think it is interesting that in the speech of the Minister of Industry, Trade and Commerce no reference was made to the fundamental question of competition in Canada. I believe that is a serious oversight and that the government should look into the lending pattern and policies of the Canadian chartered banks. Certainly, our party will do so when we form the government. Surely, at least the question should be asked whether our banks should be allowed to continue to lend literally hundreds of millions of dollars as they see fit, irrespective of the impact on Canadian ownership.

Fifth, we believe that through a more aggressive export policy a positive trade balance in current account can be achieved exclusive of whatever resources are sold. Such a positive balance will create a cash pool which could then be directed to acquire substantial or controlling interests in Canadian institutions now foreign controlled. In many fields, we believe Canadians could buy sufficient equity to ensure control of many of the multinational corporations themselves, and in this regard we are suggesting it is high time that Canada started to live as part of the world.

• (1640)

To summarize, most Canadians are in favour of economic nationalism, but the question is: What is economic nationalism? To some, it is the taking of positive economic steps to strengthen Canada's position at home and abroad, and that is the Progressive Conservative policy. To others, it is the welcoming of foreign or Canadian investment funds and technology to achieve these ends with the proper safeguards to protect Canadian industry. To others, however, economic nationalism means being insular and defensive in outlook. They would tend to discourage or restrict the investment of foreign funds and technology, even if it meant a lowering of the standard of

living of the average Canadian. There are, therefore, positive nationalists and negative nationalists.

In a world of economic change and challenge where Canada has much to gain but even more to lose, it would be unfortunate if this nation embraced a form of negative nationalism. The exponents of negative nationalism have one thing in common; they are anti-foreign and, in particular, anti-U.S. They link this attitude with being pro-Canadian in most cases. Within this group there are Socialists, such as we have to my left, and so-called free enterprisers, although I doubt this very much, in front of us. The Socialists see an opportunity to mobilize grass roots sentimental nationalism to help promote their new radicalism. Their goal is a socialist Canada.

The non-Socialists speak of an independent Canada in terms of minimizing international involvement, but they are parochial minded. The challenge of today's multinational commerce, which so many Canadians are meeting successfully, is not for them. In rather emotional arguments these negative nationalists take statistics on foreign ownership and use them out of context in an alarming way. They allege that various types of ownership are harmful without meaningful proof. They fail to appreciate Canada's involvement in today's multinational world economy and they put forth no creditable alternatives to replace what they would destroy.

I am a positive nationalist I am proud of Canada and what we have done in the business world, but I believe that we can do much better. We are in a world of opportunity but we have a coalition government which does not understand the economic world of today. Most importantly, this government is giving no leadership to our businessmen to assist them in coping with today's world economy.

Let there be no mistake; Canada's multinational corporate activity throughout the world is impressive. We are the second largest foreign investor in United States industry, Great Britain being the first. Canadian multinational corporations with sales over $20 billion per year transact business throughout the world in a manner similar to foreign multinational company activity here. These companies include the Moore Corporation, Limited, which does approximately 88 per cent of its $450 million business in the United States, with less than 10 per cent of its business in Canada. Hiram Walker-Gooderham & Worts, Ltd. and Distillers Corporation-Seagrams Limited, with a combined sales volume of over $2.2 billion has 90 per cent of its business outside Canada, mainly in the United States. Alcan, with total sales of $1.4 billion, does most of its business outside of Canada, with only 12 per cent conducted here.

In the merchandising field, the 15th largest retailing concern in the United States, National Tea of Chicago, with sales of $1.6 billion, is controlled by George Weston Limited of Toronto. There are at least 100 such multinational Canadian manufacturing, retailing or other corporations active around the world, including our airlines, shipping concerns, mining companies and banks.

Our banks, for example, have 286 branches in some 35 foreign countries, including the United States, Great Britain and France. Currently, approximately 25 per cent of their total assets, of some $63 billion, are involved in foreign banking activity, and five of our banks are among the 50 largest in the world.

Our life insurance companies are also active internationally. In 1970 over 32 per cent of their business in force, which totalled $119 billion, was in countries outside Canada. Such Canadian life companies held $5.1 billion in foreign investment in 1970. Canada's position in the multinational world economy is also reflected in Fortune directory. Of the 300 largest industries outside the United States, Canada ranks fifth behind Japan, the United Kingdom, France and West Germany. Each of these countries, of course, has substantially larger gross national products than we have in Canada. We now stand fifth, but we Progressive Conservatives believe that we can improve our position in relation to this large multinational corporation activity in the world.

At the present time we have 17 corporations listed among the top 300 outside the United States. If we had a pro rata share we would have 30, and I would like to see this country top that goal instead of allowing negative nationalism to take hold. That has been the case put forth by our Minister of Industry, Trade and Commerce.

Multinational corporate activity is reciprocal. We cannot expect to remain active in foreign lands if we choose to become more and more restrictive at home. With foresight, Canadians can continue to tap the world market and, in particular, the OECD countries with their combined $2,000 billion GNP. Unfortunately, this government, which has been in existence since 1963, has not seen fit to cope adequately with this important issue in Canada. In 1963 they brought in legislation which was subsequently taken advantage of by Union Carbide Canada Limited. This legislation provided that if 25 per cent or more of the stock of a foreign-owned subsidiary was sold to Canadians it would receive a beneficial tax position in Canada. The sad fact is that $60 million in stock was sold by Union Carbide at $24 per share in 1964. Today that stock sells for $17.50 per share. That is what happens to Canadian investors under the leadership of this Liberal government. I sincerely hope that the present trend of this government will not result in further losses to Canadians, either directly or indirectly.

Encouraging multinational companies to sell and Canadians to purchase minority interests in foreign subsidiaries does not put any important power into the hands of Canadians and, in fact, may cause the foreign parent to divert attention and business from the Canadian subsidiary which is no longer 100 per cent wholly owned.

If we were interested in doing something more effective, and if we use the 5 per cent reference in the bill now before us, we could take $150 million, and buy equity in the parent Union Carbide Corporation of the United States and that amount would probably give us effective control of that foreign multinational corporation. Surely that would be more constructive than buying a minority interest in their subsidiary. We would have ownership in Canada of the 25th largest multinational corporation of the United States. That is the kind of vision and the type of thrust which I believe we in Canada are capable of if given the leadership. Canada historically has been an internationally oriented country. We have done well with such orientation. We can do better. Multinationalism is an

integral part of our past success and an essential ingredient for our future success in achieving a rising standard of living. There are new opportunities opening up for us such as the leisure time field and oceanography. Canada could become a pioneer in the new frontiers of business.

• (1650)

Mr. Hellyer: And urbanology.

Mr. Stevens: Urbanology is suggested. I quite agree. This is the type of forward thinking we would like to see from the government of Canada. Unfortunately, this has not been done by the Trudeau Liberal government. Canadian government and industry will be judged in future, not on how it has resisted the tide of world events, but on how they have capitalized on that tide.

Mr. Roy (Timmins): Mr. Speaker, I wonder whether the hon. member would entertain a question?

Mr. Stevens: Yes.

Mr. Roy (Timmins): Mr. Speaker, as I recall it the hon. member was once involved in obtaining some capital to flow out to a bank in western Canada and that movement failed. I wonder whether he could now encourage his boardroom friends in Toronto who are hogging the capital there to distribute it to western Canada, and at that time we might be more interested in his concern about foreign capital.

Mr. Stevens: What was the question, Mr. Speaker?

The Deputy Speaker: The hon. member may repeat the question until it is understood or perhaps put in a way in which it can be answered, but the Chair will not repeat the question.

Mr. Roy (Timmins): Mr. Speaker, would the hon. member consider encouraging his boardroom friends in Toronto who are hogging the Canadian capital on Bay Street to disperse that capital to the regions in Canada where it is needed?

Mr. Stevens: Mr. Speaker, one of the points I raised was that it is not only myself who would take such a course but my party believes our financial institutions should have redirection and restructuring to ensure the regional type of involvement that the hon. member is suggesting.

Mr. Knowles (Winnipeg North Centre): I guess that was a draw.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in the four or five minutes remaining, I should like to open my remarks in respect of Bill C-132, the foreign ownership bill. Before doing so, however, may I say I was very amused by the comments made by the members of the Conservative party about the role of the NDP. They must think our position on foreign ownership in this country has a great deal of credence because they constantly refer to us and to the solutions we propose to the government in terms of reforming or amending the legislation which is before us today. The hon. member for York-Simcoe (Mr. Stevens) was talking about positive nationalism and creating Canadian based multinational corporations. This is the old theory of what is good for General Motors is good for the country. The old fashioned free enterprise in a corporate enterprise system is what the Conservative party is offering us here today. That seems to contradict some of the other Conservatives, such as the hon. member for Egmont (Mr. MacDonald), the hon. member for Fundy-Royal (Mr. Fairweather), who last year thought that the bill presented by the minister did not go far enough.

Then we have the hon. member for Peel South (Mr. Blenkarn) who today compared our party to the blue uniformed people in China and said that this is what the NDP really wants. We also have the hon. member for Edmonton West (Mr. Lambert), the great economic neanderthal, who last year was concerned about the foreign takeover bill being too radical, too progressive. So, I wonder what the position of the Conservative party really is. When it comes right down to it, I think what they want to do is speak the rhetoric of an economic nationalist and cash in on a bit of the feeling about repatriating our economy. At the same time, the only solutions they have are in hand-outs and more tax concessions as outlined by the hon. member for Trinity (Mr. Hellyer) when he spoke in the debate on Friday. So, I will be very interested in following the position of members of the Conservative party in this debate, in committee and on third reading of this bill. I think this bill will probably reveal who are the true friends of the Conservatives and what are their true intentions when it comes to foreign ownership and an industrial strategy for this country.

Now, Mr. Speaker, in the few minutes remaining I would like to say that, perhaps more than any other western industrial country, Canada is really dominated by foreign economic control and by foreign-based multinational corporations. As a result of that—and we are all very much aware of that fact—Canada has become a net exporter of jobs, of wealth, of political autonomy and indeed in some cases of military autonomy as well. Culturally we have been assimilated to a large degree by the Americans to the south of us with one notable exception, French Canada. I think that is to their credit. The people in French Canada have their own language, their own singers, their own playrights, their own musicians and their own cultural entity. We do not have that in English Canada and have been largely assimilated into the North American cultural mainstream. Foreign ownership also contributes to the problems of national unity, regional disparity across this country, unemployment and inflation.

We know about these things in Canada all too well. In the last five or six years we have had three major reports concerning the incidence of foreign ownership and control of our economy. We had the Watkins Report, a very exhaustive study commissioned and carried out under the guidance of the former Minister of Finance, Mr. Gordon. We had a parliamentary committee of this House, the Committee on External Affairs, which presented a report about a year or two ago again raising the same concern about our economy. Then, we had the Gray Report presented last year which reiterated the same facts, that Canada's economy is controlled by foreigners to too great an extent, that we are losing a degree of sovereignty and that we must act very soon.

Before five o'clock, Mr. Speaker, if I may I would like to make one more point. When our party speaks about Canadian nationalism, in reply to the hon. member for York-Simcoe, we are not being anti-American. I do not blame the United States for this situation. If I were the president of a huge United States multinational corporation I would come into Canada today. I would come here to invest if I could make a few thousand dollars and walk away with a profit without having a capital gains tax and so on. It is only a natural phenomena. It is Canadians, and the government of this country, which bear the full blame for having our economy eroded from us without rules or regulations and foreseeing our decision-making ability taken away. Mr. Speaker, since it is five o'clock, I shall come back at eight o'clock to finish my remarks.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver South (Mr. Fraser)—External Affairs—Representations to United States against proposed flooding of Skagit River Valley in Canada for power project; the hon. member for Selkirk (Mr. Rowland)—Fisheries—Freshwater Fish Marketing Corporation—investigation by Standing Committee of operations and dismissal of employees; the hon. member for Lambton-Kent (Mr. Holmes)—Drugs—Availability of QUAD program date to bulk purchasers, physicians and other health professionals.

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

• (1700)

PRIVATE MEMBERS' PUBLIC BILLS

EXPORT OF PRIMARY PRODUCTS

MEASURE TO LICENSE AND CONTROL EXPORT OF PRIMARY PRODUCTS

Mr. Arnold Peters (Timiskaming) moved that Bill C-15, concerning the exportation of the growth and produce of Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs:

He said: Mr. Speaker, this is a very simple bill but its impact would be very great on the economy of Canada. This bill has been introduced on a number of occasions. The last time it was discussed was in 1967, at which time members from all parties, most of whom are not here

now, took part in that debate. The purpose of this bill is outlined in the explanatory note which reads as follows:

The purpose of this bill is to limit, licence and regulate the exportation of basic and primary resources. No licence will be granted until the authority has ascertained that the national interest of Canada now and in the foreseeable future can best be served by such export permit.

No primary product can be exported until every effort is expended to ensure the growth of its secondary manufacturing potential in Canada.

The reason I bring this bill forward is not in the expectation of it being passed, but in the hope that members will give some consideration to the problem that has developed over the years because of the fact that Canada has to a great degree become the hewer of wood and drawer of water instead of developing a separate identity in the manufacturing and natural resources fields. Canada is rich in natural resources, and I think that in the next few years we will see a total change in the economy of our country.

In an earlier debate today we have referred to the problem of control over foreign ownership of the economy of this country. But the problem, in my opinion, is larger than that. It involves the control by Canadians of much of the development of our own products. I see Canada, within the next few years, making great inroads into the European Common Market with many of our products. Again, we are going to find that our agricultural products are in great demand across the world. There will be a shortage of food in Canada and, rather than discouraging farmers, we should be fostering our agricultural production so that it can be increased not only to fill Canadian needs but to provide for the needs of the peoples of the world who will be suffering from protein deficiency, which can only be remedied by countries such as Canada.

This gives us an opportunity to break away from the past and to adopt a new outlook with regard to the development in Canada of our agricultural commodities which will be exported. These should form a basis for a large portion of the development of our secondary industries and in many cases of our natural resources which should be further processed before being exported. Our agricultural products, in the main, will probably be exported in the semi-finished state, but our resource products have often only been superfically treated before being exported. I am particularly concerned with iron ore, forest products, the petroleum industry and industries that revolve around the production of copper and nickel. These are primary industries that provide little employment. It takes very few men to operate a modern, up-to-date open pit glory hole mining operation in iron, zinc or copper, but it takes a large number of men to develop products from that iron ore to finished state.

Every store in every city has a multitude of products from countries all across the world. It seems to me that in developing the export of our agricultural produce, particularly for the European Common Market, we will have to emphasize employment by providing for the orderly development of industry in this country. As well, we shall have to restrict or prohibit the export from this country of our raw materials when they could be processed here and exported in a finished state. Iron ore is an example.

Northern Ontario and northern Quebec are rich in iron ore. We have there large low grade deposits that can be developed. Yet, all we do is to pelletize the product and ship it out of the area for further processing. We are shipping raw iron ore to Japan, to the United States and to Germany. It seems to me that we should limit the export of this product in that form and develop a secondary industry to process it.

One of our largest secondary industries is the petroleum industry. I think that the difficulties that are developing in the United States now have made us suddenly realize that petroleum will not last much longer if we continue to use it for fuel, and that we will have to develop other by-products instead of only burning it in the form of fuel. There are thousands and thousands of products made from petroleum, such as synthetic clothing, drugs and dyes. Yet, we are exporting large quantities of petroleum in its raw state to our neighbour to the south who is then developing thousands of by-products from it from aspirin to clothing. We are exporting the raw material and buying back the finished product.

A long time ago we passed legislation in the province of Ontario—and I understand this also took place in the province of Quebec—to prohibit the export of lumber. It is true that a small amount of raw wood is exported. These amounts have to be approved under the provincial legislation. What I am suggesting is that we do this with all our natural resources in Canada, and I am suggesting that we should develop our products in Canada before we allow them to be exported in the raw form. I am sure there are many members of the House who have not realized the potential which we have in Canada.

As I stated previously, we are going to find that instead of having surpluses of our agricultural products, there will be shortages. Probably the price of those commodities will rise to such an extent that it will be both economic and feasible to increase production on lands that have not yet been developed. This is all within the foreseeable future. This is also true of other commodities, and if we tie them in with our agricultural commodities we, the people of Canada, will receive a considerable bonus.

• (1710)

When we in Northern Ontario adopted the concept that wood was not to be exported any longer as pulp in box cars, or as sawn logs, we developed in our area pulp and paper mills, plywood mills, and flake board mills. We are now developing secondary industries based on those mills that are manufacturing such commodities as kleenex, kotex, and plasticized fibre boards of various kinds. We have reached a stage of development in furniture making, but the amount of possible diversification in these fields has been touched on only slightly.

It was always maintained that there was a danger in producing manufactured products at a great distance from the market. I talked to one company manager the other day and I was surprised to find that he was using the flake board product produced by the mill in my community, putting a plasticized surface on it, and shipping that finished product to a large radio and electronic company in the city of New York. He has no difficulty in making a profit, even though he had to ship the product over a great distance. In fact, he found he could not get enough of the fibre board from my area and had to import some from the Kapuskasing-Hearst area. In fact, he even has to buy carload lots of fibre board and ship them from Portland, Oregon, to Ontario.

We could undertake secondary manufacturing if we had a mind to do it. Many people say that if there is a buck to be made the entrepreneur will come into any area and make it. But that is not always true. Certainly, it was a lot cheaper to drive logs down the rivers to Ottawa, to the Gatineau, to the Eddy mill, than it was to build pulp and paper mills in Northern Ontario. I am sure we could have driven logs down from the head of the lakes to some American pulp and paper mill had we wished to do so, and it would have been a fairly cheap operation. But we decided to process the logs at home, and when we made that decision we created the basis for many of the towns and communities in that area. The finding of copper and zinc in the Timmins area offered the people there an opportunity of processing it in that area or of processing it somewhere else. I believe that the American headquarters of the company concerned decided to export the raw ore in concentrate form, and it was only after it was offered assistance by the federal government and threatened with legislation by the Ontario government, that the company decided secondary development of that product was possible in the Timmins area. Thus has taken place there since then.

We, in Canada, control the world's supply of nickel, yet Sudbury is almost totally dependent on the mining of that ore and on the primary refining of it into ingots which are then shipped all over the world. This is also true to a large extent of copper mining in Canada. We are exporting copper in a primarily refined state to most of the countries in the world. We are doing the same with cobalt and many other minerals. I think most hon. members will agree that if we are to end the concentration of secondary industry in urban communities, in probably less than 15 centres in Canada, we will have to spread secondary industry into other parts of the country. One of the best ways to do that would be to place a restriction on base material and raw products leaving their areas of production in an unfinished state.

In northern Ontario and northern Quebec we are producing fodder for mills in Montreal, for mills in Toronto, for mills in Germany, and for mills in the United States. The main employment is to be found in those mills. Take the example of copper coming from the refinery in Noranda. About 4,000 to 5,000 men are employed in the production of that copper, with only about a third of them working at the refinery. The copper goes to plants in Montreal, and I understand that about 10,000 people find employment in the further processing of that copper which comes from Noranda. I am sure that if 10,000 people living in the area around Noranda could get that employment it would result in improved conditions in that area. I also suggest that Montreal would be the better for it, as would other cities such as Toronto, because the mills there have difficulty in disposing of waste material. There is the problem of pollution. There are the problems of transportation for mill employees, of housing for mill employees, and all the other problems associated with

major cities. These are not present to the same extent in the areas where primary production takes place.

I do not suppose that this bill will be passed, Mr. Speaker. However, if the Canadian people do not soon give some consideration to developing the resources of this country to as highly a finished state as possible before allowing the exportation of them, we will lose considerable industrial development in Canada, and the country will be the worse for it. In my opinion, Canada is in the beautiful position of being able to get into the Common Market through the agricultural door, and at the same time to take large quantities of finished products as part of the price for directing our agricultural products to that area.

If the government had the foresight to introduce legislation of the very simple nature outlined in this bill, we in Canada would have a much greater development of secondary industry, not entirely confined to the urban centres but spread across the mid-Canada corridor. It is in this area that real wealth of Canada still lies, where the unemployment picture is the darkest, and where secondary industry would be a distinct asset and not a liability. I heartily commend this idea to the members of the House.

• (1720)

Mr. B. Keith Penner (Thunder Bay): The hon. member for Timiskaming (Mr. Peters) has presented us with a bill which certainly embodies a sentiment well accepted throughout Northern Ontario, namely, that our region should be something more than a producer of raw materials and that we need more secondary industry. We need more secondary industry requiring highly skilled employees because one of the things that disturbs and distresses us in this vast geographic part of Ontario is that we are losing our young people. We are unable to retain them because we do not offer a wide enough variety of highly skilled jobs which will keep them there following their training or attract them back following studies in other parts of the country. In addition, if we had a higher degree of secondary industry in Northern Ontario it would give many of our communities a long-term future instead of the short-term future some of them have at the present time, particularly those communities which are based on the extraction of non-renewable resources.

I can tell you, Mr. Speaker, how depressing and disturbing it is to see those non-renewable resources running out and to witness the anxiety which goes through a community as the years fall away, when they know that each year brings them one step closer to the time when they will have to go to another mining town and start all over again.

The purpose of the bill introduced by the hon. member is, as indicated in the explanatory note, to ensure that primary resource exports are in the Canadian interest now and in the foreseeable future, and that opportunities for further processing in Canada are not overlooked. This sentiment is fine and no doubt the hon. member will receive the applause which he is seeking back home. That we should have a more effective resource upgrading policy there can be no doubt, but Bill C-15 has a number of weaknesses which I do not think commend it as a serious proposal.

One of the major defects of Bill C-15 is that it does not sufficiently define for us a "primary product". First, it is not clear whether the bill is intended to apply only to agricultural products or to mineral, forest and fishery products as well. The hon. member elaborated on this in his speech, but it is not in the bill. The title of the bill refers to the "growth and produce of Canada" while the explanatory note refers to "basic and primary resources". If the bill is intended to apply to the products of all resource industries, then I think there are a number of observations that can be made. The bill could presumably apply to some products which are already subject to government regulation for export such as oil, natural gas and uranium ores which are now so governed.

It may be appropriate to ask whether Bill C-15 would apply to livestock or only to feed grains and forage crops. Would it apply to pelletized iron or only iron ore, to other mineral concentrates or only to mineral ores in their most crude form? Would it apply to crude forms of minerals obtained as a byproduct in the processing of other ores? In the case of forest products, is it intended that Bill C-15 apply to wood chips and pulp or only to logs? The hon. member for Timiskaming was quite correct in pointing out that in Northern Ontario the export of pulp logs is prohibited by provincial law and he spoke extremely well of the benefits of that prohibition. We all know that it fostered a number of mills along the north shore of Lake Superior and that gives testimony to the kind of action that the hon. member is suggesting.

The nature of the problem that the hon. member is seeking to solve concerns many Canadians, and I do not think we should let it pass without saying that it concerns the government as well. The government is well aware of the desirability of obtaining the optimum benefits from the production of primary materials in Canada, such as minerals. I might say, and perhaps this may be thought of as a commercial, that Canada is fortunate in having a substantial stock of deposits of ore which are either in production or proven. Northern Ontario particularly is a region of Canada which is richly blessed by having large areas of potential mineral-bearing lands. There is so much, particularly iron ore, that it has lulled some people into thinking that the reserves are so vast as to be practically inexhaustible. This is a dangerous dream because such is not the case. We know from studies related to resource depletion that these reserves are not inexhaustible.

Many people at the present time fear that these ores are being sold much too cheaply. As time goes on they are going to become more and more valuable, and more and more expensive to buy. Although many people in Northern Ontario want to see a rapid development of those resource areas, there is something to be said for conservation, leaving something to benefit those who will follow us and perhaps benefit them in a much more extensive way than is the case now.

It is right to suggest, as the hon. member has, that there must be more processing and manufacturing in Canada. We do want more processing, more manufacturing, to do more with this raw material and to reap the benefits. If the hon. member believes that, surely he is telling us in his own way that he is going to support those measures which

the government will shortly introduce designed to stimulate the growth of manufacturing in Canada so that more and more raw materials can be processed and exported in a finished form. This is going to result in higher profits, more jobs, improved technology and, generally, a more buoyant and vigorous economy for Canadians. If the hon. member is saying that he is going to support those measures designed to give the manufacturing and processing industries of Canada a boost, then I take delight in the ray of light that has suddenly been cast upon him. That is welcome news from the hon. member for Timiskaming, which he has communicated to the House.

At the present time and probably in the immediate future, the rate of production of minerals in Canada is in excess of Canadian requirements. Those minerals which are produced in excess of our requirements are sold abroad as exports. The hon. member for Timiskaming would have us introduce legislation to limit or restrict that movement of minerals. Of course, I do not totally disagree with him, but I have a few reservations. I have reservations when I think of those communities now dependent on mining; I have reservations when I think of those small Northern Ontario communities which know that they are situated near vast mineral deposits and have looked forward to the day when the deposits will be developed and some benefits will accrue to them.

Rather than specifically restrict exports, I would favour policies which would permit a much greater use of those excess minerals which are now on hand. Two points should be borne in mind with respect to the sale of minerals abroad. First, the employment and revenue derived from the export of minerals is an important element in sustaining the present level of the Canadian economy. I am aware that this is an element often played down by spokesmen in Canada; nevertheless, it is an important element in sustaining our economy. Any precipitous action to reduce the export of minerals would indeed have an unfortunate effect on employment in this country, not only in the mining industry but in industries which supply materials, machinery and equipment for mining and sectors which process minerals into higher value products.

• (1730)

The second point concerns the price at which our minerals are sold. This price is determined by international market conditions and by competition. We do not decide what price we will receive; this is decided by the supply available on the international market. We always endeavour, of course, to get the best possible price for the minerals we export. It is clear that any immediate change in the level of export of minerals would produce undesirable results for Canada. It would certainly produce undesirable results in northern Ontario, an area which the hon. member for Timiskaming and I represent. It is equally clear that in the long term, the adequacy of supply for Canada's own requirements is a matter of the greatest importance. The hon. member for Timiskaming has recognized the potential dislocation which might be inherent in any immediate action to control the rate or price of minerals exported. This is evident from his inclusion of paragraph (c) of clause 3 of the proposed bill, where it is to be determined that—

[Mr. Penner.]

—upon the balance of convenience and necessity, the exportation is in the public interest.

He has, of course, quite properly taken that matter into account. In conclusion, Mr. Speaker, I commend the hon. member for introducing this bill. He has brought before us for debate a very legitimate concern. It is a concern not only of individual Canadians but, more specifically, of many developing regions of this country. There is no doubt about the concern expressed in the hon. member's bill, but in my view there is doubt with regard to the specifics of the *modus operandi* which he proposed. While it is right that we should debate the bill I do not think it is one we could properly vote for because of the many deficiencies in its details.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I will begin where the hon. member for Thunder Bay (Mr. Penner) left off. I agree completely that this bill has a great many weaknesses and shortcomings that would preclude our giving it support, although there is no question of the validity of the motivation which caused the hon. member for Timiskaming (Mr. Peters) to introduce it.

Certainly, the question of our natural resources and the use we make of them is fundamental to the vitality of Canada now and in the future. We as parliamentarians must be vitally concerned about this question. We cannot, and should not, put up with a policy or procedure that is tantamount to direct exploitation with no consideration for maximizing the national good or for future prospects. It is questionable what the limits are, but there are limits to the natural resources that Canada has now, thank goodness, in apparently abundant supply. We must be aware of these limits.

The hon. member for Timiskaming quite accurately implied in his speech that the economy of Canada is in a sense distorted in structure from the economy of most other developed nations. We have in our economy a very large primary sector, to which a great deal of our wealth and our standard of living is attributable. We have a well developed, substantial tertiary sector of our economy, the service industries.

When it comes to the question of secondary industry, the hon. member is correct; we are in a pathetically weak situation. However, I differ radically from the hon. member for Timiskaming in how we reached this situation and what the cure is. The important question is, how can we develop a larger secondary or manufacturing component in our economy, since it is universally recognized that this is the component which will generate the jobs we need right now and will need more of in the future? Our apparently weak secondary manufacturing component was not caused by our export policies with regard to primary materials. There is absolutely no basis for assuming that if we cut off the export of raw materials, our secondary manufacturing industry would automatically grow. It is not true that a large primary industry is the main cause of a small secondary industry. The reason Canada has a small secondary component in its total economy is wholly and directly attributable to Canadian government policies. In this regard I point to members across the way.

For the past four years under the Trudeau government, the position of secondary manufacturing in Canada, in

terms of number of jobs, profits, growth and so on, has deteriorated drastically. This is a direct result of economic policies introduced by the Trudeau government. It is not the result of having a healthy primary industry. If we are to encourage the growth of secondary manufacturing—and I hope there is unanimity in the House for doing so—we must address ourselves to the fundamental reason for our being in this state, namely, the economic policies of this government. We must provide, and this word may cause some difficulty for the hon. member for Timiskaming, incentives to Canadians in the way of taxation policies, fiscal policies; and we must aggressively seek export markets for our manufactured goods.

We should provide incentives in the way of economic policies, as outlined by my colleagues, specifically the hon. member for Don Valley (Mr. Gillies) during the budget debate. This would do more for promoting the growth of secondary industry in Canada than any negative policy of limiting the export of our natural resources. As the hon. member for Thunder Bay pointed out, implementation of this bill at this time would directly result in a great deal more unemployment and economic hardship. For that reason alone it should be defeated, as I am sure it will. Anyone who looks at this approach in a careful, unbiased manner will see that it is totally negative and totally at odds with the desires and abilities of the Canadian people. As I have stated, we should implement aggressive policies to expand our manufacturing and supportive industries. The hon. member for Timiskaming indicated that he expected Canada to benefit through increased trade with the Common Market in the near future. I sincerely hope he is correct, but I question how this expansion will be achieved by government action which is basically out of our hands.

• (1740)

What worries me about Canada's long-term trading prospects is that we may become increasingly isolated as a result of the policies of a protectionist United States and a protectionist European Common Market, while the Pacific market is increasingly taken over by the Japanese with very little competition from ourselves. I do not think we can succeed in breaking down these barriers by adopting a policy of not exporting our primary products. This will do no good because there are alternative sources of supply. We are blessed by a bountiful supply of natural resources, thank goodness, but this does not mean we have a corner on the world market—not by a long shot.

The hon. member for Timiskaming told us a genuine success story about the processing of wood products in northern Ontario. He implied that since certain methods worked in this case, they would work in other cases where raw materials are abundant. For instance, he told us that because of the tremendous variety of products which could be made from oil, we should require that many more of these products be manufactured in Canada. But the analogy does not hold; I feel I must repudiate the arguments put forward by the hon. member. He was correct in saying that an enormous variety of products can be produced from the raw material, but if they were all produced here, delivering them to the markets which required them would be a task of enormous complexity.

Then there is the question of scale of production. Like it or not, our domestic market is limited. This situation has good points and bad points. It means there is more of Canada for each Canadian to enjoy—and I like that. It also means there is a smaller market, and the unit cost of producing goods is greater. When one talks about petrochemical products, scale is everything. It is simply not economically feasible to require that all petroleum products which end up as consumer products should be processed to consumer product level within Canada. The volume of production required in the processing plant in order to bring the product within the economic reach of the consumer is simply too great.

Our fundamental criterion, when we consider the question of our raw material resources and the extent to which we should limit their export and require reserves to be kept for the use of future generations, must be the maximization of the national good. Licensing provisions governing the export of oil came into effect on March 1, so this bill is redundant in this respect. Two extreme positions could be taken. For example, we could allow export without restriction. This would be irresponsible, and nobody has advocated such a course: I include most of the people engaged in the oil industry in Calgary. The other extreme point of view is that no exports should be allowed. Members of the NDP have expressed themselves in favour of such a stand. Their justification is that figures produced by the National Energy Board indicate that Canada has proven continental reserves sufficient to last for about 15 years. The thinking goes that if we have only 15 years' supply left, we should halt exports and keep the oil for Canada.

Mr. Speaker, this would guarantee that in 15 years we would run out of oil. If we were to stop all exports it would mean that all exploration, all drilling activities, all the industry's activities in Alberta would come to an end, incidentally throwing thousands and thousands of Albertans out of work, not to mention the fact that the government of Alberta would lose millions of dollars in revenue. The fact is that such action would prevent the discovery of the millions of barrels of oil which still exist somewhere in Alberta but which have to be discovered through exploration programs.

If, instead, we adopt a reasonable policy of allowing exports while protecting Canada's needs, this will guarantee the continuance of an exploration program which will ensure that reserves will continue to build up, and at the end of 15 years we shall be able to rely, in terms of reserves, upon at least as much as we are counting on today. It is an on-going process. It cannot be viewed in the simplistic manner some have adopted. I hope the government appreciates all these factors and will take them into account when implementing the regulations which accompany the licensing procedure.

In conclusion, let me say that the motivation of the hon. member in introducing this bill is highly commendable. I agree we must conserve our resources for the benefit of future generations, and prevent irresponsible exploitation. We must also do something about the position of secondary industry in this country if we are to cure our unemployment problem. I agree with the hon. member in this regard. However, I believe that to limit the export of

primary products by means of a tribunal, without taking account of positive factors, is a wrong-headed approach and one which will simply create more unemployment and weaken the primary sector of our economy. I, for one, cannot see how weakening the primary sector can do anything to advance the secondary sector. I hesitate to conclude on a partisan note, but what we need is Progressive Conservative policy.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member for Calgary Centre (Mr. Andre) says he is hesitant about concluding on a partisan note. I am happy he did. I am happy that at least one member on that side of the House will support the corporate tax measures sponsored by the Minister of Finance (Mr. Turner).

• (1750)

The hon. member said we should have more positive and aggressive policies that would encourage secondary manufacturing in Canada. The budget measures of May, 1972, introduced by the Minister of Finance do exactly that, and I am happy to see that the hon. member for Calgary Centre will support those measures. I hope they will be passed by the House, since they are necessary for the economic well-being of Canadians in the future.

Mr. Andre: When will they come before the House?

Mr. Breau: They will come in due course, and I am happy that the hon. member will support them. His colleague from Saint John-Lancaster (Mr. Bell) will also support them in view of their importance to manufacturing, not only in his constituency but in his province. The hon. member mentioned that in the last four years secondary manufacturing industry in Canada has deteriorated. I notice he used the word "détérioré" and did not say there was "less" manufacturing. I suppose he wants to be on safe ground. I am sure he is an honest member and he would not say things that were not accurate.

Mr. Knowles (Winnipeg North Centre): All members are honest.

Mr. Breau: That is right. So I do not want to impute motives. But he used the word "détérioré"—I have difficulty saying it in English—rather than saying it had diminished. I do not think it is a fact there has been less manufacturing in Canada in the last four years. I do not have the figures in front of me—

Mr. Andre: I have.

Mr. Breau: Then I should like to see them. I have figures in my files prepared by the Department of Industry, Trade and Commerce that prove the contrary, that in fact Canada has improved its manufacturing position a great deal. The hon. member spoke about the Liberal government's record. Let me remind him it was this government that brought in the corporate tax measures, which I hope his party will support. Obviously he will support them because he wants strong secondary industry. It is the Liberal party that brought in the Regional Development Incentives Act which is applicable only to the manufacturing and processing industries. This measure was brought in in 1969 by the then minister of regional economic expansion for the purpose of encouraging strong secondary industry in slow growth areas of Canada. As a matter of fact, in the hon. member's own wealthy province this act has benefited many people by creating long-term manufacturing jobs.

So I cannot accept the fact that secondary industry has been worse off since the Liberal government took office four and a half years ago. Neither can I accept the fact that we do not have aggressive policies. My difficulty with the Progressive Conservative policies which were referred to by the hon. member is that I cannot find out what they are, in many instances. Perhaps if we saw them we might support them; you never know. Certainly I should like to see some clearcut policies emanate from that party. Last night on the national news I heard the leader of that party speak about the corporate tax measures, and again he tried to confuse the issue. He tried to capitalize on the sentiment that exists in this country against corporate tax cuts. We must realize that some people in this country see no benefit in these tax cuts. I do not agree with these people. But last night the Leader of the Opposition (Mr. Stanfield) tried to fan those sentiments by saying the measures were not enough to meet the problem.

What the hon. gentleman wants to do is to extend them to the service industries and primary resource industries, which I think is totally illogical if we are to develop a strong secondary manufacturing industry that can compete with other countries. He mentioned the protectionist attitudes of the EEC and, I will not say the protectionist attitudes of the United States but certainly the different attitudes in the United States from what we have witnessed in the past.

I think this government has done a great deal to encourage secondary manufacturing. As a matter of fact, we have done so well that the government of the United States is very concerned about it. It is so concerned that it is trying to divert production from Canada to the United States. President Nixon expressed concern in a recent report to Congress about the matter. So there is no question that we have done very well out of the auto pact and in other ways.

May I now deal with the bill before us. Secondary manufacturing is referred to in the bill, and I have to deal with it since the hon. member raised it. I would also commend the hon. member for Timiskaming (Mr. Peters) for having brought the bill forward, because it is certainly a subject that interests me. While the export of these products is not prohibited, I think that management of the resource is of greater importance. In practically all cases, non-renewable resources are in the hands of the province. For example, in my own province too many minerals and other resources are being exported in a raw state without any processing. This is the case with minerals in my constituency in northeastern New Brunswick.

As the result of action taken by the very active Robichaud government of New Brunswick some time ago, these mines were developed. The government of the day forced the company to build a smelter to process the minerals. The company did so, even through it said it would not make a profit until 1975, I believe. Nevertheless,

the government said that was tough; they had to build it anyway. I believe that 300 to 400 people work at this smelter. The only problem now is that there is a Conservative government in New Brunswick that is not ready to follow the progressive policies of the previous Liberal government; as a result, the province is now exporting some raw minerals.

An hon. Member: Shame.

Mr. Breau: It is a shame. Some hon. members might think it is a joke, but it is very important to an area such as northeastern New Brunswick which has a high level of unemployment. Raw minerals should not be exported, especially in a case such as this. Even if the hon. member said that export controls were negative, I would not agree with his rationale. I am sure he will admit that an extracting operation must be viable, and to be viable there must be a certain volume of extraction. If the company is forced to process the minerals, they would not be able to close down because of their investment in processing plant and equipment.

Mr. Andre: So you twist their arm?

Mr. Breau: The Liberal government twists the arm of business in this country so that the people can benefit. If the present government of New Brunswick would do that, the company would have to keep the mine open and continue to process the raw material in my riding, which perhaps would create a thousand new jobs in the area.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the hour appointed for the consideration of private members' business has expired. I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed consideration of the motion of Mr. Gillespie that Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Foreign Investment Review

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, before we adjourned this debate for private members' hour I was suggesting that Canada, perhaps more than any other country in the western industrialized world, is dominated and controlled by foreign economic concerns, mainly foreign-based multinational corporations. As a result, we find ourselves in the position of being a net exporter of jobs and wealth as well as political, economic and, to some extent, military decisions. We also find we are culturally assimilated as part of the North American continent. This also adds to the problems of national unity, regional disparity, unemployment and inflation.

I suggest that we in this country are well aware of these problems having had two reports dealing with foreign ownership, the Watkins report and the Grey report, as well as a third report by the external affairs committee saying about the same thing as the other two. At five o'clock, before I was interrupted, I had suggested that when we are discussing foreign ownership it should be made clear, in answer to some Conservative speakers during this debate and the debate last year, that we are not being anti-American; we are being very much pro-Canadian.

We in this party have talked about repatriating the Canadian economy and putting more Canadians in control of our own destiny. If I were the head of a United States multinational corporation, I would be doing the same thing they are doing: I would locate and invest in Canada. I do not blame the heads of U.S. corporations, but I do blame Canadian governments which during the past 20 or 30 years have allowed this type of activity in Canada without regulation or rule and without any guidelines for the protection of Canadian people. The situation is entirely our own fault.

Other countries have set down guidelines and regulations. The one which comes to mind first is Mexico, whose President addressed this chamber last Friday. Sweden set down guidelines in 1935. Norway and other countries have done the same. Indeed, in the United States at one time there was a great deal of foreign ownership and foreign capital, but it was able to develop its own economy which is now extremely viable. After the Second World War, Germany and Japan were practically destroyed, at least many sectors of their economies were, but they developed an industrial strategy and today are viable and forging ahead rapidly. We must do the same thing here in Canada. We must repatriate our economy and develop an industrial strategy that will start this country moving economically again.

In 1958, a Canadian academic writing in a Canadian magazine said:

> Shall we suffer passively our situation and economic domination? . . . It could be better to be annexed outright by the United States than be exploited without limits.

That academic is fairly well known here: his name is Pierre Elliott Trudeau, and he wrote those words in *Cité-Libre* in 1958. Last year when the government brought forth its foreign ownership bill, the Prime Minister (Mr. Trudeau) and the Liberal government betrayed those words: they produced a foreign takeover bill which covered only 5 per cent, 10 per cent or 15 per cent, at the most, of foreign activity in the economy of our country.

That bill was stalled in the House and our party was able to kill it.

The bill itself was a big zero and an absolute farce. If it had passed, I suggest it would have had the effect of creating an economic eunuch in a bordello of foreign-based, multinational corporations. In other words, it would have been absolutely useless and would have done very little to reverse or even hold back the trend toward foreign domination of our economy. The members of this party are proud to have killed that bill and forced the government to come to us with the improved legislation we are debating today.

The bill now before us is one result of the October 30 election which returned a minority government to parliament. The government could not ignore the wishes of the people, as it did last year. Therefore, it expanded the bill to take in not only takeovers but also the screening of new investment in Canada and, in addition, the screening of the expansion of existing firms in new or unrelated areas. I suggest this goes a considerable distance from the bill that was previously debated.

• (2010)

I have mixed feelings about the bill. I am not perfectly happy with it. I do not suggest it will solve all our problems. Much of the effect of the bill will be determined by whether it will be administered by people who are really determined to do something about Canadian ownership or whether it will be administered by the people like those who administer the CDC, which has become a farce and nothing but another investment or mutual fund. So much of the impact of this legislation will depend upon how it is administered and who it is administered by, because many of the decisions these people will make will be very subjective. They will have a tremendous amount of discretionary power.

If the bill is well administered, it could go a considerable distance toward regulating, in the future, the incidence of foreign ownership in our community. For that reason I suggest this House should deal with the bill on second reading and refer it to the committee, at which point we will try to move several amendments. As the minister himself has said, this is only one step in the area of foreign ownership of our economy. The bill is not retroactive; it will not buy back the Canadian economy that is now in foreign hands. It does not really establish priorities concerning which industry or sector is important. It cannot set provincial priorities. It can only be part of an industrial economic strategy for Canada. That is the context in which we must treat the bill which is before us.

As I said a minute ago, our party feels this bill will go part of the way and that we should move several amendments. I think there are five or six which are very important and which I should like the minister to think about seriously. I would also hope members of the House would think about them seriously. The bill covers three areas: takeovers, new investments and expansion of existing firms into unrelated or new areas.

I suggest, as many others have already suggested in newspapers such as the Toronto *Star*, that this House should look at a fourth area very seriously, that is, the expansion of existing firms in the same area of production. I realize, after listening to the hon. member for Windsor-Walkerville (Mr. MacGuigan), that we would have to word an amendment in such a way that we would not be interfering with a small firm wishing to expand its plant a little and add 10 or 15 jobs. I believe we could come to a consensus on that so that a large firm, for example, which is doubling in size could be screened. This is a large part of foreign ownership activity in our economy, and if we do not add this sector to the bill we will be missing a considerable degree of economic expansion in our country by foreign concerns. Again, we can elaborate on that question at the committee stage and move amendments.

The second area which I believe must be broadened considerably involves the factors to be screened or taken into consideration by the screening agency as outlined in the bill. Again, the hon. member for Windsor-Walkerville said that many of these factors are covered in the first part of the bill, but I suggest, with great respect, that they are vague. I think some of these factors should be stipulated in the bill. I think there should be a clause in respect of screening imported parts and components to see whether alternative sources exist in Canada and, if not, whether they could be developed here. I think this is one area in which the Canadian economy has not been as active as it could be. Again, parts and components are labour-intensive and I believe this should be a natural part of the screening mechanism as outlined in the bill.

The second addition in respect of factors to be screened, I suggest, would be the export of raw materials from our country, to determine whether some of the processing, developing, packaging and manufacturing could take place prior to export. This would seem to be a very important point to stress. This country is an exporter or raw materials and unfinished products, and an importer of finished goods and manufactured products. I remember very well the former member for Duvernay, Mr. Kierans, speaking in this House about a year ago on this very point of placing more emphasis on manufacturing and processing. At that time he said that for every $100 invested in resource development or the extraction industries, we provided only about $6.50 worth of wages; but that for every dollar invested in manufacturing we could provide about $30 or $35 worth of wages.

When we have such a heavy emphasis on the resource industry in this country, what we are doing is exporting jobs. If we export $100 worth of raw materials to the United States, we in turn import $100 worth of manufactured goods and probably export $25 or $30 worth of wages in the process. I suggest the minister consider this as the second area which should be added to the factors taken into consideration by the screening agency.

The third factor which should be taken into consideration would involve the screening of any export restrictions which may exist by agreement or, indeed, export restrictions which may exist in practice which prevent the expansion of export markets for this country. There are many export agreements which could be looked at which are established by the government through tariffs, and so on. Even more important, however, is the practice of multinational corporations which develop a product in one country and another in Canada.

A third area which I believe should be added to the bill—this perhaps will be more controversial for some members of the House—is the prohibition in certain areas of our economy of any new equity investment that would place effective control in the hands of a foreign individual or foreign concern. I suggest areas which should be considered include mineral resources, energy, water and power. I think all these things, and perhaps a few others, are vital to the future development of the Canadian economy. I feel these are areas in which there should be massive public ownership and certainly public control, because the resources are here for the Canadian people and not here for any profiteering by foreigners or multinational corporations based outside this country. That is another factor we will have to study.

There are a number of other items which I hope the minister and members of this House will consider. One is the provision of more information on the activities of the screening agency. There should be a regular report to the House within two or three weeks after a decision is made, whether it be a positive or a negative decision. There should be an amendment respecting fines as outlined in the bill. There should be a major amendment as to when this act shall come into effect. As it is now spelled out, the only part which comes into effect after royal assent is that which concerns takeovers. The other two portions of the act come into effect upon proclamation.

What does this mean? It may mean we will wait five months, six months, a year, two or three years before the act takes effect. The government may delay it indefinitely for five or six years. That is something I do not want to happen. I believe the act should take effect after royal assent providing, of course 50 or 60 days for the drafting of the regulations. I think parliament should make that decision and should be supreme, rather than the minister, the cabinet or the government.

There are a number of other amendments which I believe should be considered by this House. There is the one outlined by my leader yesterday concerning the definition of an eligible or non-eligible person. I believe we should revert to the definition in the legislation of last year, instead of selling out to some of the Conservative members, by increasing the number of non-eligible persons. More legislation is needed. I realize many other members have said the same thing. I hope that we will introduce very soon more bills to reverse the trend in this country toward foreign domination of our economy.

All one need do to recognize the problem is to look at a few of the statistics. We find that 57 per cent of our manufacturing, and 99.9 per cent of our petroleum and coal industries are in the hands of foreign concerns. In the extraction industries as a whole, in 1969 70.6 per cent was in the hands of foreign concerns. We lose jobs, we lose wealth and we lose some of the power to make important political and economic decisions for this country.

• (2020)

I should like to dwell for a few minutes on some of the consequences of foreign ownership in Canada and suggest five or six steps that I believe parliament and this government should be taking. First of all, in this situation we lose jobs and we lose the ability to plan our country industrially and economically. I have referred already to the fact that we export raw materials and import manufactured goods and thereby lose jobs. We should be doing more processing in this country and more manufacturing. We should keep the jobs right here at home for Canadians. We should also be doing more specializing in our economy. Canadians do not specialize in anything. We are not like the Germans, or the Japanese in particular who since the Second World War have specialized in the electronics industry, in automobile manufacturing and in other industries that are labour-intensive.

This is what Canada should be doing. One way of doing it is by regaining control of our economy. Unless we do this, we will continue losing jobs in Canada because the parent company has to close a plant here, because of more and more protectionism in the United States, and because world competition for trade is becoming tougher. This is why we must repatriate our economy.

I remember very well two or three examples of our losing jobs directly because we have branch plants in this country. Last year, when the DISC plan was introduced by President Nixon of the United States, I remember very well an article in the paper saying that a branch plant of a U.S. corporation in Ontario that was producing toboggans was closing down, while the parent company in California was expanding because of trade restrictions here and incentives in the DISC plan for expansion of the U.S. economy. This was a direct transfer of jobs from the toboggan factory in Ontario to the toboggan factory in California.

There is an example in my own riding where there is the largest potash mine if the world, the International minerals Company of New Mexico. It is at Esterhazy. As we all know, there has been an oversupply of potash in the world and there is now more competition among the suppliers. What has happened? The mine must cut back on its production. It has two plants, one in New Mexico and one in Saskatchewan. In New Mexico they cut back to 90 per cent capacity, and in Saskatchewan to less than 50 per cent capacity; so it is we in Saskatchewan who lost jobs. If the mine had been Canadian owned, perhaps we would not have had to cut back to 50 per cent capacity and we would have had more jobs for Canadians.

There are examples of this in the field of research and development. Naturally, our scientists, our young people and our technicians are going abroad to where the parent plant is located, rather than doing research and development in one of the branch plants in our country. This situation could be changed if we had stronger legislation concerning foreign ownership in our country.

The second point I want to mention regarding the consequences of foreign ownership is that we are now losing more, in terms of exporting wealth and dollars, than we are gaining in new investment in Canada. I believe two years ago, or perhaps it was last year, the U.S. department of commerce issued a report saying that 94 per cent of the money invested by foreign and American-based corporations in Canada was Canadian money—in other words, 94 per cent of the funds that they invested in our economy was Canadian money—and only 6 per cent consisted of new funds that came in from the United States or elsewhere.

Therefore, what the corporations are doing is reinvesting their own profits, their own dividends, or they borrow money from Canadian banks and financial institutions and invest it for themselves in our country. They are taking your savings and mine, Mr. Speaker, and investing them to expand their enterprises in our country. I think some of these funds could be put to use by Canadian companies or through more public ownership of our economy, and more government leadership. We would have a much better economy as a result.

The other fact that came to my attention the other day was that between 1960 and 1969 we had in this country $5.5 billion worth of investment from the United States. Meanwhile, we paid out of this country to financial concern in the United States in terms of dividends, profits, interest rates, royalties, fees, and so on, $8 billion. We paid out $2.5 billion more to U.S. companies and concerns than came back in terms of new investment from the United States. I think it is ample evidence that something is wrong when we export more money and more jobs than are coming into our country.

Some people have said that our party is being hypocritical, that indeed the NDP governments themselves go to the United States to borrow foreign funds. That is true; some of our governments have. But the point I want to make is that there is a real difference between loan capital and equity capital, in terms of investment. I remember that when the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) was premier of Saskatchewan, the province developed the Saskatchewan Power Corporation which is publicly owned. If I am not mistaken, millions of dollars for the development of the corporation were borrowed in the U.S. money market. This was not equity investment; it was debt capital which is being repaid by the people of Saskatchewan. They have ownership and control of the Saskatchewan Power Corporation.

That is the type of thing we should be doing when it comes to foreign investment in our country. Every country in the world has a degree of foreign investment, but most countries have debt or loan capital rather than equity capital. It is as if you pay off a mortgage on a house and eventually own it. You certainly have control over the decisions that have to be made. Now I see that the Power Corporation in our province is making several million dollars a year in profit besides providing the Saskatchewan people with some of the lowest power rates in the Dominion of Canada. I think this is the direction in which we must go. This corporation is run on its own; it is not run out of the tax revenues of the province. It is a viable and profitable corporation.

I suggest that another source of revenue for Canadian investment would be some of the funds that are now invested by Canadians in other countries. Canada itself is somewhat imperialistic in economic terms. If you go down to Latin America, or countries such as Trinidad, Tobago and Jamaica, you see a high incidence of Canadian ownership and investment. I remember being in Jamaica two years ago, picking up a newspaper and seeing a headline reading "Jamaicanize the economy. Get rid of Canadian ownership." I remember being in Britain, standing on a street corner and seeing two or three Canadian-based multinational corporations.

[Mr. Nystrom.]

Indeed, a great amount of money is going out of this country into other countries. Much of this money could be channelled into the development of Canada. We could also make better use of the Canadian Development Corporation, but that is an argument I will not get into tonight. We should also do more to control Canadian chartered banks, finance companies and insurance companies and use their huge pools of capital to develop our country.

• (2030)

One hon. member earlier in this debate said that the Canadian chartered banks have assets of $63 billion in this country and in other countries around the world, and that the Canadian insurance companies have $117 billion in assets in Canada and elsewhere around the world. Much of this huge source of capital could be put to work right here in Canada in order to help the country develop and control its own economy.

I believe that we have lost a certain degree of our political autonomy. There have been times when a degree of foreign ownership has affected political decisions in this country. We can recall the time when we were not allowed to sell flour to Cuba and trucks to China, thanks largely to the fact that the headquarters of certain companies were in the United States. A few years ago there was the question of potash sales from my province to China. I am informed that American ownership barred that sale as well. Foreign ownership has an impact on the decision-making process in this country. These are some of the reasons why I and the people in my party are very concerned about foreign ownership in Canada. I believe this bill will go part way to remedy some of these problems, if it is properly administered.

In the few minutes remaining to me I would like to outline a number of other things that the government should be doing. First, Mr. Speaker, there should be investment controls regarding foreign ownership. Most other countries in the world have them—countries such as Mexico, Japan, the United Kingdom, France, Denmark and Sweden. In some areas they entirely prohibit foreign investment, and in others they set a certain limit on the degree of foreign investment allowed in a particular industry. Canada should be doing the same thing. We should have regulations whereby the majority on the boards of directors must be composed of Canadians, and whereby the management of companies must be by residents of this country. These are some of the basics, or preliminaries that this country should have taken action on years ago in terms of controlling our economy.

I also believe—and this is where some of the Conservatives will disagree with me—that there should be a great deal more public ownership of our economy in key areas such as resources, financial institutions, transportation and public utilities. These are some of the basics in our economy that should be owned and controlled by the people of Canada. These areas should not be exploited by others, and our people should not be exploited when they use the services provided. I believe that Bell telephone should be owned by the people of Canada because it provides a service. Organizations like Bell telephone should be prevented from exploiting the people of this country.

I believe we must reform the taxation system. Again I go back to the remarks of Eric Kierans when he was a member of this House, talking about the horrendous loopholes of which some of the corporate welfare bums in the extraction industries take advantage. I have before me some figures that were prepared about a year ago by the provincial department of finance in Manitoba. They show how the extraction industries take advantage of tax loopholes. They show the proportion of profits on which companies have paid taxes during the last ten years.

From these statistics we find that retail merchants pay taxes on about 90 per cent of their profits. Like workers and farmers, they are taxed on almost everything they make. Wholesalers pay taxes on 87 per cent of their profits. The construction industry pays taxes on 77 per cent of its profits. Manufacturing industries pay taxes on about 65 per cent of their profits. Then we get down to the mining companies, which paid taxes on only about 13 per cent of their profits in the last ten years. The gas and oil companies paid taxes on only about 5.7 per cent of their profits in the same period. From these statistics one can see the tremendous incentive there is for capital to go into the extraction industries, into mining resources and the development of gas and oil resources. All these industries are capital-intensive. They do not provide many jobs for Canadian people and they do not help to develop our country. The taxation system should be rearranged so that the extraction industries engaged in the development of oil, gas and mining would have to pay much higher taxes. This would encourage more funds to go into the service industries and into manufacturing.

I believe there should be a tax on the export of raw materials from Canada to the United States and from Canada to any other country. There should be more coordination between the provinces and Ottawa regarding the development and processing of raw materials in our country. Another suggestion I would like to make to the government—again, the hon. member for Windsor-Walkerville shrugged this aside earlier today—is that we use some of our foreign exchange reserves in order to buy back from foreign concerns some of the key areas that will be important to the development of Canada in the future. If I am not mistaken, we have about $5 billion in American currency and gold sitting in the vaults of the Bank of Canada. A part of this, say $2 billion, $3 billion or more, could be earmarked to buy back part of our economy.

Another suggestion the government should take seriously is that it should cease giving government grants and aid to foreign corporations in Canada. One of the Conservative members referred to this question earlier today. The government hands out millions of dollars of tax concessions, depletion allowances and grants to foreign companies in Canada each year, to the detriment of the Canadian economy and the Canadian people. I would like to quote a few statistics to show the seriousness of this problem. We find that since the inception of the DREE program, over 50 per cent of the grants made by the Department of Regional Economic Expansion have gone to foreign companies. We find a large proportion of the activity of the Canada Development Corporation devoted to assisting huge, foreign, multinational corporations. We find that under the Industrial Research and Development Incentives Act, known as IRDIA, 39 per cent of the grants have gone to foreign companies. Under the advancement of industrial technology program, known as PAIT, 45 per cent of the grants have gone to foreign firms and foreign companies. Under the defence industry productivity program, 86 per cent of the grants have gone to foreign companies and foreign concerns. This type of activity should stop: we should cease to give grants and handouts to foreign-based companies.

There is another area on which I want to comment briefly, that is, the field of culture. I believe this is very important in terms of developing a country that is truly Canadian. We have had some leadership from the government of Canada, in terms of Canadian content in broadcasting and regulations specifying 80 per cent or more Canadian ownership of radio and television. Measures like this can be taken in other areas of importance, both in the cultural and the economic fields.

I believe that the book publishing industry is one that should be totally controlled by Canadians. There should be more encouragement given to Canadian writers, artists and magazine publishers. This is the area in which the cultural identity of a country is developed. It is an area that is very important to the development of students and young people. I remember as a child in elementary school that I knew more about Lincoln and Jefferson than I knew about former prime ministers of Canada such as Macdonald and Laurier. I remember students finding American history more exciting, more dramatic than the dull Canadian history they had to memorize for examinations. A lot of this could be changed if we put more emphasis on areas such as book publishing and writing. In this way we could develop a Canadian society with a distinct culture separate from that of the United States.

Earlier today I mentioned that French Canada is a great exception in this respect. There they have their own language, their own culture, their own writers, their own singers, performers and artists. All of this is a tremendous credit to Canada and to French Canadians. There are many other areas in the social and cultural fields that Canada should act on soon. Today in the House a question was asked by an hon. member about the degree of foreign ownership of hockey teams in the National Hockey League and the WHA. That is another area being exploited by big American business to the detriment of Canadian hockey players and Canadian hockey in general.

• (2040)

I should like to conclude by saying that if we act positively, Canada will be much better off in terms of jobs provided, in terms of planning our economy and the country, and in terms of the wealth we will keep in Canada. We have the funds to develop this country. Any foreign investment that comes in should be debt or loan capital, so that we control all facets of our economy and develop it for the benefit of this country. Only then will we be able to tackle some of the problems of national unity and regional disparity. Only then will we be able to face the problems of unemployment and inflation.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but the time allotted to him has expired. The hon. member for York Centre (Mr. Walker).

Foreign Investment Review

Mr. J. E. Walker (York Centre): Mr. Speaker, this subject is one of great importance to all Canadians. It has been talked about for 50 years or more in successive Canadian parliaments. I am very grateful to the various associations and individuals who is the last few years have generated some public opinion to the extent that the government of the day has now produced what has been called a first step toward what I hope will be the eventual ownership of our own country and political destiny.

I do not propose to quote statistics tonight, Mr. Speaker; we all know them. I have been interested in this matter for many years and I know there have been cries of alarm in the past about the statistics that have been given. I have here an article from *Maclean's* magazine of 1962. At that time we were given 40 months to make or break Canada. The 40 months are up, another 40 months have passed and we are still here. I do not think we are ever going to have as much time again to make this great national decision that we must make.

I should like to congratulate the minister and the government who have faced this matter and brought it before parliament. For the last 50 or 60 years, successive governments of all political stripes have turned their backs on this subject. I am very pleased to support a government that has brought in this measure, although in my opinion it could be strengthened and made more purposeful and it should not be too long before some of the action provided in the legislation is taken.

Many good speeches have been made on the subject in this House, and there has been a great deal of reference to the visit of the President of Mexico. I do not know whether it was coincidental or by design that on the very day this bill was presented for second reading, the President of that great and courageous country gave us some good advice about the subject we are tackling now.

In a few days it will be the seventh anniversary of one of my speeches in the House on this very subject. I thought I could do no better than refresh my memory and perhaps the memory of some members who were in the House at that time. I am sure this is an emotional issue if we are to make the national decision that must be made. The pros and cons on both sides of the subject have some emotional content, and I do not think we are ever going to arrive at a national consensus if the decision is made only on the basis of emotion. There are many more practical things to say.

I see my friend the hon. member for Gander-Twillingate (Mr. Lundrigan) wishes to rise on a point of order. Or does he just wish me to carry on, Mr. Speaker?

Mr. Lundrigan: Make a new speech; don't read the old one.

Mr. Walker: The hon. member for Gander-Twillingate will enjoy this because he is a very intelligent person and usually listens very carefully to anything said from this side of the House. Just to show how ageless and yet how timely this whole subject is, I should like to refer to the speech I made in 1966. It could well have been made by any member who spoke today and be totally relevant to the bill before us. At page 3993 of *Hansard* of April 19, 1966, I said:

The issue I bring before the House, Mr. Speaker, is the whole question of the extent of foreign ownership and control of Canadian resources and industry in 1966, one year before the celebration of our hundredth birthday. Are we quietly strolling down the road to national oblivion? Is there an inherently dangerous relationship between massive foreign ownership and economic and then political sovereignty?

I spoke earlier, Mr. Speaker, of the desirability of communication and public discussion of national goals and projects. If ever a question of the greatest public concern cried out for the broadest public discussion right now it is this one.

As an aside, Mr. Speaker, I again point out that the public discussion that has taken place in the last few years through associations such as the Committee for an Independent Canada and through the work of some individuals, is what some of us were calling for seven years ago. I continue:

I should like to see the Canadian people committed one way or the other by the time of our one hundredth anniversary a little over a year from now. What will we be saying as a nation on July 1, 1967—"We wonder what is going to happen to us by 2000 A.D." or "We know what we will make of Canada by 2000 A.D.?"

I believe this is the major issue of the day.

I believed it then and I believe it now, seven years later, Mr. Speaker. I went on:

Really it is the only issue because, until it is faced and settled for generations to come, discussions of other matters including budgets, are academic. We may be spending money for nothing. The moment of truth has arrived for us as a nation and as individual Canadians.

I said when I commenced these remarks that I was not going to speak about statistics. Everyone knows the statistics. I want to talk in broader, philosophical terms on this subject. I then said:

The conscious settlement and decision of this issue in our heads and hearts could prove to be our salvation as a united country. It could lift us out of our introspection and destructive self-criticism, this pulling up the flower to see if the roots are growing. I am convinced that the spiritual resources of most Canadians in every province are more than equal to the challenge and responsibility of owning Canada. This is a big enough challenge to stir their loyalty; this is a great enough goal to enlist their devotion. It is though enough to use all their muscles and energy and creativeness; it could be the moral equivalent of war for a peace-loving people.

Then later:

The first question to decide is whether economic and political domination follow large foreign equity ownership of a country's economy. Where is the danger point? The second question is: In this interdependent world how do we handle this problem without becoming selfish national isolationists, without giving ideological comfort to the enemies of freedom and individual liberty, without making enemies of traditional friends and allies whose friendship is valued and unquestioned?

• (2050)

Our aim should be clear: under our own ownership and control to make the greatest contribution our talents allow to the awakening of the sleeping Canadian giant and then, in full co-operation with all nations, to work for equality of opportunity with all nations, to work for equality of opportunity and justice through the rule of law for all human beings, black, yellow or white.

There are those, Mr. Speaker, who believe that Canada can accomplish these aims by becoming economically integrated in the North American complex. By submerging or erasing borders we become part of a larger unit. This thinking, which is represented on both sides of the forty-ninth parallel, has come to be known as continentalism. Those who see more good than evil in foreign ownership penetration into Canada's economy have been called

continentalists. For want of a better word those who take the opposite view have been called nationalists—economic nationalists or political nationalists. I prefer the word "Canadians."

Fundamentally—and I hope I am not simplifying this to much—a continentalist seems to think, consciously or otherwise, that whatever is good for North America is good for Canada. He sees no direct relationship between national self-determination, economically, politically or culturally, and the eventual total integration of Canadian and United States economies. If figures mean anything, then the present rate of takeover of Canadian resources, business and industry can lead only to that end. If there is no danger to Canadian nationhood in such an intertwining, we are very fortunate people. However, if there are unknown contingent liabilities involved in such an arrangement which affect all living Canadians and those yet to come, then we are embarked on a hazardous adventure. Those who have done any thinking at all about Canada's future must surely ask themselves: What are we getting into?

It is time, Mr. Speaker, for the fullest and widest public discussion from coast to coast about this whole matter.

I again congratulate the minister and the government for giving all Canadians the opportunity to discuss this subject. I would like to see seminars and public meetings across the country so that a consensus can develop. Otherwise, even the small measures in this legislation could prove to be divisive. I want to say something later about that in terms of the Canadian east and west. To continue, Mr. Speaker:

I ask my generation to answer these questions: Are we giving away our past which we did not earn, and our future which does not belong to us? As temporary custodians of this entity called Canada, have we the right to sell the family assets without reference to our heirs?

If we Canadians can have the best of both worlds, economic and political control of our country plus unprecedented prosperity through foreign equity investment, then everything is coming up roses. I do not believe we can. The hard, cold fact of financial equity investment is that political power is always used eventually to protect that investment.

That has been the history of equity investment in every country in the world when the investment has been made on the part of other countries. As a former speaker mentioned, Canada is not without blame in this whole question of foreign ownership. If we are not careful we will, quite rightly, be coming under the same scrutiny in other countries, particularly those in the Caribbean, as foreign investors in Canada are now coming under. More wars than enough, under the guise of battles for freedom, have been fought to protect the interests of nations who have an equity investment in smaller nations. I again quote:

We are naïve to think otherwise. All the weeping and wailing and gnashing of teeth will be to no avail if we wake up some morning and find we have lost the right to make our economic and political decisions for all time. And we will have no one to blame but ourselves—not the Americans, not the Japanese, not the Germans, just ourselves. It makes much more sense to me to ask individual nationals of other countries to come here and help us develop our nation from within as Canadians than to import dollars and have them develop and control it from without as non-Canadians.

In terms of labels, it is already clear I am an economic nationalist. I believe that whatever is good for Canada is good for North America and the world. I want Canada to be able to speak forever with all the power and freedom of a nation in full control of its future. This does not preclude collaboration and the fullest cooperation with other nations whose aims are compatible with ours. It does mean that we are under economic obligation to no one to compromise our convictions or destroy our destiny. Who is going to develop and own Canada? Other people or Canadians?

When I spoke on this matter in 1966 I quoted statistics which, seven years ago, were very alarming. I quoted 1959 figures. The rubber industry was 90 per cent foreign owned, and the pulp and paper industry 38 per cent foreign owned. The figures quoted tonight by an earlier speaker point out that because nothing has been done in the intervening years, the figures have increased alarmingly.

I again say that I am glad the government has given us this opportunity to focus our attention on this problem. It is now time for Canadians to decide, because a decision will have to be made for their future. I personally believe that this legislation is as far as we can go at the moment without being divisive. The legislation before us can be a forum for the kind of public discussion which should lead to a national decision.

I completely understand the feelings of western Canada and the Maritimes in this matter. These parts of Canada do not have a pool of capital for their development. They have had to go outside their borders for the simple reason that the great province of Ontario, where I now live after having lived in the province of Alberta for 28 years, with all its wealth has seen fit to use its money for other purposes than to encourage and assist other parts of the country in their development. That is why I say that only a very small step can be taken at this time because of the necessity for capital in the west that is not forthcoming from Ontario. I believe the maritimes are in the same position. Therefore, certain parts of Canada are opposed to any type of control that will stop foreign capital from coming in to assist them to develop to the point where they will become as rich and powerful as the province of Ontario.

I would like to see something done, possibly through taxation measures, to assist in achieving this type of broader national prosperity across the country. Frankly, I do not know what can be done without changing the political system under which we operate. Do we want a government that has the full authority to say to all Canadian people that all the money we need to develop our country is now in Canada? Do we want an authoritarian government that will say to Canadians they must not ship their money out of the country, even though they can get a better deal by buying American stocks and bonds rather than Canadian bonds? Surely there could be some small incentive for buying Canadian bonds. Tax-free interest on Canadian bonds would be some incentive, with no great loss to the treasury. I believe that some of these things will have to be done in order to back up the type of legislation now before us.

• (2100)

I believe that the extreme parts of the country might then be more amenable in understanding the problems involved in the loss of political sovereignty. If those other parts of Canada assent, then at least the central provinces should assist them financially in bringing about development which is needed. These are some of the aspects I should like to see the government look into and, maybe, do something about.

One other point. I believe legislation along these lines can only be successful in this country if it has the support

of Canadians in all geographic regions. A national will must emerge, and the first small but reasonable steps taken in this bill might provide the spark necessary for the debate which should take place right across the country. Since this issue affects us all, action must be taken in a way which will not disturb national unity. We should bear in mind that there are two types of criticism of this bill. Some say it goes too far and others say it does not go far enough. This illustrates the lack of consensus about what needs to be done now and in the future. If agreement is reached some day that we must place ourselves in a position to exercise our sovereignty, action must be taken in a way which would bring all Canadians together in a great national adventure of true nationhood. Then we could be of help to other nations to a far greater extent than at present.

Again, I congratulate the government. I want to congratulate all the speakers I have heard and read in this debate so far. We are all very concerned about this question and I hope the principle of what we are trying to do in this bill will be accepted. There may, of course, be disagreement as to the method and the tactics employed, but I very much hope that everyone will understand the basic reason for bringing the bill forward—the strengthening of our country so that it can fulfil the promise we all predict for it. This is why I hope there will not be too much criticism of the measure on political grounds merely because it happens to be a bill brought down by the present government. It might just as well have been brought in under the government of the right hon. member for Prince Albert (Mr. Diefenbaker), or it might have been introduced back in the days of Laurier or St. Laurent. It was not.

The time has come when the Canadian conscience wants this type of debate to take place so that all the facts can be brought out in connection with a national consensus or decision as to where we are going.

Some hon. Members: Hear, hear!

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, the minister, when introducing Bill C-132 on foreign investment last Friday, seemed so overly preoccupied with the Conservative position on the matters raised in this legislation that I feel compelled to spend a few minutes at least in trying to soothe his sensitivities. The minister will not find us quarrelling with the general purpose of this bill as set out in clause 2(1) thereof. Who, indeed, is not vitally concerned with the ability of Canadians to maintain effective control over their economic environment? The hon. member for Trinity (Mr. Hellyer) has reflected our concern and has said that the bill should be sent to committee for study.

I would suggest through you, Mr. Speaker, that the Minister would have had much less to apologize for last Friday had he made some attempt, however meagre, to admit that this bill is but a part of a very small short-term answer to a very large, long-term problem. I assure him that all concerned Canadians have looked to him for a range of programs to achieve the solution to these problems, and I hope he will appreciate the disappointment we must feel when all we hear from him is an ad hoc reaction which cannot be, and is not, a satisfactory substitute for long-term, forward planning.

[Mr. Walker.]

When business in this country looks for positive economic incentives, the minister surely cannot be surprised with their disappointment at finding penal measures. We are a positive and industrious people, Mr. Speaker, and if there need be a Criminal Code for foreign-controlled business, let it play but a minor role in our total federal program; let it merely support the fundamental thrust of positive encouragement of Canadian business.

Let it also be a hallmark of this thrust that the federal government can no longer continue to operate in a vacuum. Surely the minister must agree with the Conservative position that this type of legislation dictates federal-provincial consultation and co-operation. Some could say that to bring Bill C-132 forward without having consulted the provinces is bad manners, Mr. Speaker. It is more than that—it is bad business. Therefore, I say to the minister that he need not have been so preoccupied with our position had he given us some reason to believe that he subscribed to but three basic fundamentals: First, that this legislation is but a minor part of a comprehensive business program, which the minister should be obliged to outline in detail; second, that the over-all program will be one which embodies a positive encouragement for Canadians; That he will retreat from his unilateral position and consult immediately with the provinces.

In my riding, Mr. Speaker, there are many companies which are foreign owned and I, for one, am happy to see that the government has not succumbed to pressures from some quarters to embark upon a corporate witch-hunt. A test which we have used in our communities with some success could be classified by some as a moral test. We have said to all members of our business community: Are you a good corporate citizen? Are you discharging the responsibility which inevitably accompanies the freedom you enjoy to be a part of this community? The test, Mr. Speaker, has been one of responsibility rather than nationality.

I can appreciate and share the concern of all Canadians when they hear of takeovers, forced sales and similar transactions. Of equal concern, though, is this government's apparent willingness to react in patchword fashion to these economic pressures. This indeed, Mr. Speaker, gives business, regardless of where control lies, lack of confidence in government. Business is saying to itself: What will be the next step in this Liberal-NDP alliance? In finding itself in such a vulnerable position, should any business, especially Canadian-owned business, engage in long-term expansion plans? Surely it is not unreasonable for all business to ask whether in future we shall continue to engage in an adversary system of business/government relations.

The hon. member for Trinity has called for an imaginative and dynamic economic structure. I am proud to subscribe to his presentation enthusiastically and with confidence, and I wish to speak today for a group of Canadians who are anxious to participate in this structure. I wish to emphasize the forgotten Canadian businessman who until I came to Ottawa I knew as the small businessman but who, for clarity's sake, I will describe as the very small Canadian businessman—the proprietorship, the partnership, the very small incorporated company. These people do not have $250,000 in gross assets. Their revenues do not

exceed $3 million, and quite likely never will in my lifetime, even given our present rate of inflation.

• (2110)

They employ, on the average, much less than 100 employees; indeed some of them only employ the husband, his wife, and the kids when they get home from school and on weekends. They are in every phase of our business community—retail, wholesale, manufacturing. They are people who work 12 and 14 hours a day, six and seven days a week, and take so little out of their business that many months provide them with less than the minimum wage. They reinvest their profits daily so they can buy a more efficient piece of machinery or a second delivery truck; and, Mr. Speaker, whether this government believes it or not, they are willing to continue to do so provided they can see a ray of light or a hint of encouragement from this government.

So they look to the Minister of Industry, Trade and Commerce (Mr. Gillespie) and what he had to say to and for them in this House last Friday. He said, Mr. Speaker, a grand total of six lines out of the hundreds and hundreds of lines of his speech in the official report of last Friday's debates. What were the minister's words? Let me quote from page 2780 of *Hansard*:

> In closing the catalogue, I should like to refer to new proposals which I am preparing in order to provide additional special assistance to small business. This is the sector which employs most of our work force. In my view it is the sector which generates most of our new products and services.

This apologetic afterthought is all the minister can offer to those whom he calls the sector that employs most of our work force, the sector which generates most of our new products and services.

The leader of the New Democratic Party has accused those in this party of selling out "to the wealthy, the rich and the powerful corporation". The people for whom I speak are apparently unknown to the hon. member. These people and the companies for whom I speak are not the wealthy, the rich and the powerful; they are the overtaxed, the discouraged, and the bureaucratically controlled Canadians who are buried in government inspectors, government forms, government reports and government regulations, who are finding it hard to find the time to be good Canadians, let alone good businessmen, because of government pressure and because of neither government encouragement nor understanding.

The leader of the New Democratic Party says that all the hon. member for Trinity proposed last Friday will be at the expense of the Canadian people. Mr. Speaker, those for whom I speak are that part of the Canadian people which the hon. member for York South (Mr. Lewis) will doggedly and blindly crush if he continues to exert his control in his alliance with this government. These small business people look to this government to be pro-Canadian, not anti-foreign. However, they would likely support Bill C-132 if it was evident that it was but a minor part in a total, positive economic program.

Not one of these vital citizens in my riding of Perth-Wilmot, be he personal or corporate, is looking for a government hand-out, although most would agree that the $1 billion this government spent to bail out the unemployment insurance fund was the result of economic mismanagement, and that had that amount been spent over a period of time in economic incentives a few years ago, the UIC fund never would have become overdrawn.

So when these people, who are the heart, the soul and the backbone of many Canadian communities, see this foreign investment review bill presented to the House without any indication of other positive incentives to Canadians, they must wonder if this government has any idea of their position, where they are overtaxed, have limited access to capital and are being destroyed by high interest rates.

Small business wants and deserves the opportunity to play its role in expanding the economy and providing employment, and I suggest that any government which denies them this role is doomed. Surely, Mr. Speaker, we cannot accept a business climate where the business failure rate in Canada last year was the highest since 1932. This year brings no better news, for in January there were 217 failures, compared with 177 a year ago—an increase of 17 per cent. And this government must assume its share of the blame for this unacceptable situation. As the leader of my party said last fall:

> It is characteristic of the government today that its preoccupation with its own size and power leads it to ignore those it considers of relative inconsequence. Attempts at tax reform led big government to ignore the total interests of small business. And yet, small business in this country generates more employment, more real growth, and more tax revenue, and bears more of the cost burden of government than does the so-called big business.

The minister, with some justification, may accuse me of enjoying the luxury of opposition which provides me with this opportunity of telling the House that this ad hoc, penal bill is inadequate in face of the demands for positive, economic incentives. Therefore, I wish to itemize only three areas in which a Conservative government would meet these demands. I hasten to point out that there is no reason why the minister should not imitate his colleague, the Minister of Finance (Mr. Turner), in adopting Conservative programs, although I would hope he would be inclined to be more courteous than the Minister of Finance and acknowledge their source.

In any event, the first program would involve the orderly transfer of ownership of the small family business within the family. We should investigate the elimination or changing of capital gains tax for this transfer, since I suggest to the House that the capital gains tax produced in these family transfers would not be sufficient to pay for the bureaucracy costs in having inspectors, accountants and others running around the country trying to figure out the necessary valuations and making them stick, any more than these costs can be met by the capital gains tax revenues resulting from the transfer of family farms.

Therefore, if the minister chooses to take advantage of our suggestion of considering the elimination of capital gains tax for the transfer of the small family business to a son or daughter, I wish him more success with the Minister of Finance than that enjoyed by the Minister of Agriculture (Mr. Whelan) who wound up with the incredible situation of telling this country's farmers that they have to die before an orderly transfer of the family farm to their children can be affected. It would also be a Conservative government's responsibility to consult with the

provinces regarding the effect of death duties in this area. I suggest to the House that we simply cannot sit here and justify, on any logical basis, a forced sale of a family business because of capital gains tax and death duties.

Our second program would be small business services and incentives. Under this program we would emphasize managerial and technical assistance, as well as assistance through research and development, where present government programs, no matter how well intended, are simply not reaching, let alone assisting, our small businessman. In most cases, not only are they not available to him; he has never been told of them and is not likely to be. Also within this second set of programs, we in the Conservative party are committed to the procurement of government contracts for the supply of goods and services by small businesses so that they receive a fair share of such contracts.

Finally, under this second area of our programs we would introduce the Canadian investment credit incentive, a tax incentive for small business. We acknowledge immediately that the cost to government in the first year would be from $100 million to $300 million, but again I emphasize that this is preferable to having to spend $1 billion in rescue money for unemployment insurance. As the House knows, Mr. Speaker, this program is designed to encourage Canadians to invest in small business risk ventures and, by doing so, to create jobs. It will be available to any Canadian who makes a direct investment in the equity of Canadian-owned small business. The credit, which is 50 per cent of the investment, with an annual maximum of $5,000, will be offset against the investor's income tax or rebated directly to him. This means that if a Canadian invests $1,000, for example, in a qualified business, he will receive a credit of $500 against his income. The credit is repayable only if and when the Canadian realizes on his investment.

• (2120)

The third and final set of programs deals with borrowing. When presenting Bill C-132, had the minister even hinted that a substantial portion of our problem of foreign ownership was the direct result of a banking policy which encouraged foreign investment, while at the same time discouraged Canadians from expanding, he would have received a more sympathetic hearing.

I submit to the minister that as long as Canadian lending institutions are eager to provide funds for the foreign takeover of a business, while at the same time the same institution denies the same funds to the Canadian owner of the same business, fifty bills of the ilk of Bill C-132 will not solve the problem for him. If the minister is of the opinion that these are isolated cases, I urge him to consider the speech in this House by the hon. member for High Park-Humber Valley (Mr. Jelinek) on January 16 of this year.

Also under the heading of borrowing, I would suggest that while prime lending rates are around 6½ per cent, this government's one and only answer to Canadian small business is its Industrial Development Bank, with interest rates at 11 per cent and 12 per cent. This, Sir, is no answer at all. A Conservative government would have no hesitation in exercising moral persuasion or even stronger measures, including revisions to the Bank Act, when dealing with our chartered banks, and we are committed to making the Industrial Development Bank play a more meaningful role in our economy.

These, Mr. Speaker, are but three of the programs we would undertake to assist the small businessmen I am pleased to represent. They are positive measures of incentive and assistance. We will send Bill C-132 to the committee for its careful examination, but we in the Conservative party consider that this negative reaction to a serious economic problem is no substitute for strong, imaginative and positive measures of incentive and assistance.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to say a word about bills such as the one now before us which, to be quite candid, is very important.

Mr. Speaker, if Canadians all had the opportunity to be here we would hear much comment and would find out more about the bill and the economy in general.

We are wondering, Mr. Speaker, what the real economic trend is. Economy nationalism as mentioned by the minister and hon. members of other parties, is impossible without economic reform under the label of the present monetary economic dictature unless we can buy back the control of our economy.

The purpose of the bill before us, Mr. Speaker, is not to prohibit, but merely to examine and recommend certain measures, to control certain facts according to certain criteria. As a screening agency has been set up to this end, it will be authorized to submit recommendations as to whether a certain course of action is to be authorized or prohibited. It will certainly not be very efficient and I do not believe we can rely on such an agency to solve our problem, which is Canadian rather than international.

The bill, Mr. Speaker, deals with take-overs through new investments and control of expansion of existing foreign companies into unrelated areas. Finally the bill is a screening agency for authorization or prohibition of investments, foreign or otherwise.

I consider that the bill should provide for injection of the capital required for our companies to obtain exclusively Canadian funds for the development of Canadian economic resources.

In this way, Mr. Speaker, our raw materials could be processed here by Canadians with Canadian capital. We all know that we are exploited at 80 to 90 per cent by foreigners, but we do nothing to provide the capital as it is needed by funding our economic development credits on the same Canadian values as foreign and international financiers do for their credit.

Economic common sense, Mr. Speaker, calls for our capital to be based upon our own actual values. If a well integrated economy is to succeed, any new project requires new reimbursable credits at depreciation costs only. It is the only extreme and efficient means that will allow Canadians to gain control over their country.

The New Democratic Party is justified in saying that foreigners develop our resources to profit from our own assets by issuing credits for that purpose. We have only to do likewise through our financial institutions which are

well established, well structured to do the job. We need only give them the necessary orders and to take action.

Mr. Speaker, our technology should be an instrument of progress at our disposal. The economic clock should not be short of figures.

The economic clock, Mr. Speaker, has all the necessary figures. It operates and figures are added, multiplied, divided and subtracted.

If the clock has all the figures required to give us the correct time, our economy—which is a clock—must absolutely not be short of figures to let us have the capital we need for our economic development so that we may become our own masters.

• (2130)

Mr. Speaker, from the point of view of foreign investment, the world today is split into two groups, because of the different monetary systems which are mutually exclusive. Each group is controlled by a dictatorship working through a monopoly.

In the western countries, this is a financial dicatatorship that works through the monopoly of capital. We come under this domination.

In the communist countries, it is the dictatorship of the state, working through the monopoly of property and of all material assets; each group fears the other, and the reaction in each case is intensive research and development of highly secret and highly terrifying tools of destruction, in the name of liberty and patriotism.

Mr. Speaker, we must abolish this dictatorship in both systems and make money democratic, a tool to serve us rather than a dictatorial god. The New Democratic Party wants to reverse this monetary decentralization. If this is not done, the two dictatorships will soon be at war, and will thereby destroy all the civilization that man has built so arduously and so slowly.

We must bring the politicians of western countries together, to take steps to set up an honest financial system, in which money will retain its value, and both businessmen and the man in the street will be able to look forward to the future confidently, without fear of a depression or of a financial crisis, without having the sword of Damocles hanging over their heads; for at the moment, governments have a stranglehold on them through income tax and all other kinds of taxation.

We must build a society with sufficient capital for all Canadian developments to adapt to prevailing conditions using capital that is truly Canadian. In this way, we will become masters in our own house.

Mr. Speaker, as the average industrialist, the small industrialist is being entirely exploited by all sorts of tyrants. Interest rates are too high; our industrialists are dishonourably and I would even say dishonestly exploited. The government itself through its taxes and also IDB's financing at excessive interest rates is also exploiting small and medium business by its dictatorial financial means always to fatten the same institutions at the detriment of workers and small businesses which find it so hard to survive.

Our industries are still standing up because they are indebted right up to the nose, because they resort to loans at extremely high interest rates and because if they also want to finance the storage of goods they must under formula 88 of chartered banks pay 10 to 12 per cent interest for the storage of goods they often have to sell at a loss to pay the advances they received from financiers and the interest on those amounts.

Those small and middle businesses are thoroughly exploited and if they cannot be successful now it is because the prices of their products are too high and they cannot produce at a cheaper cost. But it is mainly because they do not find buyers for their products as the limited purchasing power of Canadians does not enable them to pay for them. Manufacturers have to store their products at great cost, with the help of finance, which requires an 8, 10 or 12 per cent interest. All that adds to the cost of living and small and middle industries find it increasingly difficult to keep their business and be masters in their own house.

As for international affairs, finance is certainly based on actual credit, on the real values we have to offer. If foreign concerns come here to develop our natural resources, it is because they are the ones who guarantee credit issues made for that purpose, mainly and exactly on the credits we have and which they are going to exploit for us. Therefore, if foreigners are able to develop our natural resources in that way, we Canadians can certainly take advantage of existing institutions to finance our businesses and base our credits on our country's same values, so as to enable the Canadian people to develop more, to regain control over their economy, for it was because of that despicable finance that we lost the control of our economy.

If indeed foreign corporations have made inroads into 80 and 90 per cent of our economy, it is because we let them do so. We only have to regain control over our business and follow their example to become again our own masters. Gradually, we could develop anything in our country. We could enable any industry to operate inasmuch as we provide the necessary capital with reasonable rates of interest and as long as the citizens have the necessary purchasing power. We could then develop our resources and become real Canadians controlling our natural wealth.

If we have to import capital, it should be technological capital. If there is a lack of technological means for our future development, we should be in a position to import some and pay proper salaries to technicians in order to ensure our expansion.

We can resort to foreign technicians, if we are short of technicians. We would then import the human resources that we might need. We have the necessary means to import such capital, to pay the technicians; in so doing, we shall be able to keep ownership of our assets and to safeguard our legal and fiscal rights.

The point is to put that same human capital at our service. The Minister of Finance (Mr. Turner) has only to so decide, jointly with the Right Hon. Prime Minister (Mr. Trudeau) and the leaders of the other parties. We can take any decision. Provided something is materially possible, we must make it feasible by way of a well-balanced,

well-synchronized, well-controlled and well-adjusted economy.

Mr. Speaker, in order to produce heat, a furnace must be well-adjusted and equiped with thermostats designed to ensure comfortable living for the community.

Such is the way we can grow and develop, because we have got everything we need. Therefore, Mr. Speaker, there is no use wasting our time, blaming foreigners and adopting legislation to prevent them from coming and investing here. Let us settle down to work and let us use our economic tools for the good of our economy; each and every Canadian will fare better from it and will eventually become master of his own destiny.

• (2140)

[*English*]

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, the stated intention of Bill C-132 is to keep effective control of the Canadian economy in Canadian hands. Taken by itself, this principle is something with which I think we all agree. But it seems to me the bill does not do that; it does not contain a mechanism to achieve this goal. The main thrust of this bill is typical of NDP and Liberal philosophy, namely, that the economy can be regulated through restriction in the negative sense.

The previous bill which was presented by this government a year ago was essentially of the same nature. It was designed to stop something from happening, namely, to stop the takeover of existing businesses by foreign enterprises, rather than to encourage something more desirable to happen. I think that puts in a nutshell the basic difference between the Liberal and NDP philosophy and the Conservative philosophy. They believe in restriction, and we believe in encouragement. That is a very significant difference.

The new bill, however, contains an innovation to deal with the establishment of new businesses. In general, one can easily say that this bill does not come to grips with the problem of foreign ownership in this country. It does not propose to do anything about the major portions of our economy that are already in foreign hands. In addition, the Gray report in 1969 showed that massive increases in foreign ownership within this country occurred as a result of the expansion of existing, foreign-controlled enterprises. This expansion, of course, is untouched by Bill C-132 except in the case where a foreign-controlled company may be expanding into a new and unrelated business. The present bill, therefore, is no substantial improvement over the previous one, since it is obvious that a policy ignoring this kind of expansion of existing, foreign-owned companies, which is in fact the largest contributor to the growth of foreign ownership in this country, obviously touches only the periphery of the foreign ownership problem.

Few issues before the Canadian public in the past ten years have aroused so much interest as the question of foreign ownership, and as well few issues have been treated with as little effort to resolve it by the government as that of foreign investment. To say the least, the approach so far has been one of ad hoc reaction. A review of the figures shows that in the production and manufacturing sectors, 99.7 per cent of petroleum and coal products, 81.3 per cent of chemical products, 93 per cent of rubber products, 87 per cent of transport equipment and 72 per cent of machinery manufacturing are owned by foreign enterprises; and many others are 50 per cent or more foreign owned.

Public opinion research has shown a steady increase in the feeling among Canadians that foreign investment is a bad thing, and there has been a simultaneous decrease over the past few years in the number of people who feel that foreign investment in this country is a good thing. It would appear that rejection of foreign investment has been the least pronounced in the maritimes but varies somewhat in other regions of the country. Because of this, the policy must be developed in close consultation with the provinces, to ensure that the provinces are consulted and that regional differences are taken into account. While there is a clause which provides that industrial and economic policy objectives enunciated by the provinces would be taken into consideration, the bill sets up no guidelines by which the provinces will be consulted. It makes it possible for provincial issues to be taken into account, but any provincial consultation that could occur will be inconsequential to the bill itself.

If one looks at the unemployment figures in the various parts of the country, it becomes obvious why the concern for foreign investment varies. If it is a choice between having no job at all or having a job created by foreign investment, obviously Canadians would go for the job created by foreign investment. With that in mind, many factors have to be taken into consideration besides the emotion of economic nationalism. At best, the present proposal is a piecemeal approach which falls far short of the kind of decisive action that would be required to put Canada's economic future in Canadian hands.

This new bill suggests that government policy in this area is foggy, to say the least. The Prime Minister (Mr. Trudeau) once indicated that a foreign ownership policy would be complete enough to be an immediate guide for business decisions once it was announced, and that people would know how to conduct themselves from the day the statement was made. On reading the bill, can one really say that this kind of guide to business is being offered in it? I would say the answer is no. The uncertainty is still as great as ever.

The government is only playing games with nationalism by using vague phrases such as "significant benefit to Canada" which strike me as faint echoes of "the just society" and "the land is strong". I wonder if the Prime Minister is just making a few token gestures for the benefit of the nationalist voters in the same way as he plans economic conferences, to soothe one part of the country or another, or sets up the food prices committee to dispel the anger of the housewife. Or could it be that he is just making a token effort to appease the token party to my left, normally referred to as NDP but now having new initials, the NLR which is the "New Liberal Rump"?

Some hon. Members: Hear, hear!

Mr. Yewchuk: The hon. member for York South (Mr. Lewis) in a recent speech cited this government's new Bill C-132 as an example of the kind of good effect there has been on the Trudeau government from the NDP holding

the balance of power. I wonder whether he was really serious when he made that statement, because when he spoke in the House of Commons on March 30 he was critical of my party and of the Liberal party on some of their proposals, and said that the Liberals and Conservatives were clearly one in their proposals. He followed it up by saying:

We reject that kind of approach to Canada's economy and Canadian economic independence.

How can he say, on one hand, that a bill is an example of the effect of his influence, and on the other reject that kind of approach to Canada's economy and Canadian economic independence? It leads one to wonder what the hon. member really does mean or what he really believes in. But we are becoming accustomed to the leader of the NDP reversing his position from one day to the next and contradicting remarks one day that he made the day before. He said in his comments that his respect for us as a party has decreased because of some of our policy statements.

Mr. Speaker, at least we have been consistent in promoting policies which we believe to be good for the country. We can hardly say that the hon. member for York South has been consistent. If we review the voting pattern of his party since January of this year, we find that on several occasions they voted in complete contradiction to what they said a short time before. We can go back to January, for example, when we put a motion before the House asking that the throne speech debate be set aside so that old age pensions legislation could be brought forward. The NDP, who had very sanctimoniously on many occasions promoted the idea of increasing old age pensions, voted against that motion, thus causing an unwarranted delay in increasing old age pensions from January to April 1.

• (2150)

We also had the spectacle of the NDP crictizing the government's economic policies. But when it came to the crunch when there was a vote of confidence in the government's economic policies, their vote was with the government, contrary to their remarks. We even had a motion about corporate welfare bums. They, of course, voted against that too. It was no longer important enough for them to discontinue their support of the government.

One day not too long ago they talked against the sale of Polymer. But when it came to a vote, they voted in favour of the sale of Polymer. How does the hon. member expect us or the people of Canada to increase our respect for him if he cannot put his vote where his mouth is? How can he expect us to believe anything he says if over and over he has shown that what he says is wrong one day, he says is right the next day? I do not want to suggest that the hon. member is dishonest by intent, but it certainly appears that his methods are tortuous, if not devious.

If we look for a moment at the debate on the old bill back in May, 1972, as recorded at page 2639 of *Hansard*, when speaking about the bill the leader of the NDP said it was "a policy which has very little meaning for Canada." In another place he said: "I believe this bill must be opposed." Finally he said: "We do not intend to support such a useless step as the minister has proposed." But today he and all his members have been speaking in favour of essentially the same measure.

Mr. Gleave: What is your policy?

Mr. Yewchuk: The hon. member wants to know about my policy.

Mr. Gleave: Why don't you tell us about your 60-day freeze?

The Acting Speaker (Mr. Boulanger): Order. If the hon. member wants the floor, he can seek it later in the debate.

Mr. Yewchuk: Mr. Speaker, I see that the hon. member for Saskatoon-Biggar (Mr. Gleave) has wakened up. I am very glad to see that. He wanted to know what our policy is. The first thing I would say about our policy is that at least we vote according to our principles and in accordance with what we say. I think that is a prime essential in politics. It is obvious to me that the conscience of hon. friends to my left is bothering them—if they have one—and it is obvious that the conscience of their leader is bothering him.

Mr. Baldwin: It isn't that; it's his figure.

Mr. Yewchuk: No doubt as a result of having given up his principles. I think this guilty conscience of his is reflected in the fact that he dedicates most of his speeches to attacking the Conservative party and in particular to attacking our leader. We can only conclude from this that he wishes he had the courage and the fortitude to stand up for what he believes in, the way the Conservative party has been doing during the past weeks.

For example, he was critical of our policy, stating that we want to make the wealthy wealthier and want to make the powerful more powerful at the expense of the ordinary Canadian worker and of the small Canadian businessman. But after a careful review of his speech I failed to find any evidence of what he would do for the Canadian worker, and in particular for the private Canadian, small businessman, except to conclude that he would probably abolish him.

The statement I am referring to is recorded at page 2789 of *Hansard* for March 30, where he is reported as saying that "the objectives of a corporation"—he does not differentiate between big and small—"whatever its ownership, are the same. The interest in profit and power is the same. The public interest takes second place whether the corporation is privately owned by Canadians, owned by Americans or owned by nationals of any other country." From this we can conclude that his position is that any corporation of business privately owned is not in the best interests of the Canadian public. It is an obvious promotion of the old doctrine in the Regina manifesto, suggesting that only government knows how to run your business; that no private individual has any humanity, social honour or any sense of loyalty to the country, but is strictly motivated by greed and the desire to abuse everybody.

It seems to me that is a rather distorted view of private enterprise, which in fact has shown all around the world that it can do more for countries and their development

and for their peoples than any other system, including dictatorial socialism which the hon. member and his party seem to admire so much. Let us look at the results of socialism in our own country. Let us take Saskatchewan, a shining example of socialism. According to the last census, that is the only province where the population had actually gone down. People are still leaving there, scurrying in all directions to get away from that great NDP government.

Mr. Orlikow: Why did they vote in an NDP government?

Mr. Yewchuk: I hear the hon. member for Winnipeg North (Mr. Orlikow) making some noises. Let us look at Manitoba, the province that has the highest taxes of any province in Canada, which is also scaring away people as well as industry. They have one company there—I do not need to mention its name—which produces tractors that are sold at a good price to Canadians. This company is on the verge of moving out in order to get away from that greedy socialist government. Look at the province of British Columbia, another example of NDP peace and quiet, where the people are in the greatest turmoil they have ever experienced since they entered confederation.

Mr. Orlikow: Why did the people elect an NDP government?

Mr. Yewchuk: If we want to look at the facts, we see that the have provinces are those that have been built up over many years of Conservative government.

Mr. Orlikow: Like Nova Scotia? Tell us about the heavy water plant at Glace Bay.

Mr. Yewchuk: One example is the province of Ontario; others are Alberta and British Columbia which have grown up under the private enterprise system. If we look at the have-not provinces—

Mr. Orlikow: Tell us about the heavy water plant.

Mr. Yewchuk: My hon. friends do not like to listen to this. They do not want to listen to the truth. If we look at the have-not provinces, they are the ones that have been under Liberal control for a long time; and if we look at those that are rapidly becoming have-not provinces, they are those that hon. friends to my left control.

We have a different approach to this whole question. We feel that the negative approach of the Liberals and the New Democrats is not what Canadians are looking for. Canadians are looking for a positive approach based on growth and development of the country. A foreign ownership policy which proposes to lead to Canadian control of the economy must be tied in with the country's total economic strategy. Conversely, this total economic strategy must be developed in such a way that greater encouragement is offered to Canadian participation in development than to foreign participation.

Mr. Speaker, I see you are sitting on the edge of your chair. I am not sure whether you are getting sleepy, but if Your Honour wishes, I will call it ten o'clock.

[Mr. Yewchuk.]

PROCEEDINGS ON ADJOURNMENT MOTION

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

EXTERNAL AFFAIRS—REPRESENTATIONS TO UNITED STATES AGAINST PROPOSED FLOODING OF SKAGIT RIVER VALLEY IN CANADA FOR POWER PROJECT

Mr. John A. Fraser (Vancouver South): Mr. Speaker, a long time ago I asked a question in connection with the Skagit valley and it is now coming before you in the "late show". I have spoken to the hon. Minister of the Environment (Mr. Davis) and I think he has a pretty good idea of the questions I am going to put to him this evening.

• (2200)

As hon. members know, some time ago the minister assured the House that the flooding of the Skagit valley would not take place. He said, as did the Secretary of State for External Affairs (Mr. Sharp), that the flooding of the Skagit valley was a dead issue. We are, of course, glad to hear this and we hope the two ministers are correct. That assurance was given some time ago, however, and the fact is that the Seattle City Light Company is proceeding with its application before the United States Federal Power Commission seeking the right to raise the level of the Ross dam below the Canadian border. If granted, this will result in the flooding of the Skagit valley.

I know that to a considerable extent the assurances given in this House by the Minister of the Environment to the Ross committee, which is the citizens' group in Vancouver which is fighting the flooding of the valley, have caused the committee to take the position that it is in fact safe to withdraw from the Federal Power Commission hearings. As a consequence, on March 6, 1973, Mr. Ken Farquharson, secretary of the Ross committee, wrote a letter to the Hon. R. A. Williams, Minister of Lands and Forest for the province of British Columbia. In that letter he said, in part:

> Following the announcement by the federal and provincial governments that they will co-operate to prevent the flooding of the valley the committee has considered its position and has decided that its aims have been fulfilled and as a result the committee will not prepare evidence for submission to the FPC.

Further on in the letter he wrote:

> The committee wishes to advise you that, if the FPC hearings do take place, and if the federal and provincial governments desire a Canadian intervention to correct misleading testimony, and if they are not prepared to intervene themselves, then the Ross committee will prepare testimony provided that it is given notice of this requirement prior to 1 May, 1973, and that adequate funds, information and manpower are made available by the federal and provincial governments to the committee. The cost of such an intervention by the Ross committee would of course be much less than the extra compensation that Seattle might expect to receive if their application to the FPC was successful.

Arising out of this, I would appreciate the Minister of the Environment bringing the House up to date on the situation. I should like to know what the response of the United States government has been to the note of January 9, 1973, which was apparently sent to them by the Canadian government. My authority for this is a statement to that effect in the House on February 6, 1973, by the

Secretary of State for External Affairs. As reported at page 1000 of *Hansard*, he said:

Mr. Speaker, on January 9, a note was sent to the United States authorities requesting discussions on this question. This is the procedure that has been approved by both the government of the province of British Columbia and of course by this government. It seems to us the most effective way of getting action.

I would like to know what the response to that note has been, Mr. Speaker. I think most hon. members of this House, and certainly the public, want to know whether the Canadian government has in fact said to the American government that there will be no flooding, and whether the American government has agreed, either by implication or directly, with representatives of the Canadian government that the flooding will not take place.

While I do not doubt the sincerity of the assurances given in this House, I would hope that our proper acceptance of the sincerity of this statement does not lead us on this side of the House, or any member of the government, into a position where the wishful thinking of several months ago is leading us into a situation where we may not be as secure as we thought we were. Through you, Mr. Speaker, I ask the Minister of the Environment to advise us tonight of the real situation of the agreement between Canada and the United States that this flooding will not proceed.

I would also like to know whether the government of Canada has received a copy of the letter that I quoted or a similar letter, or whether the government of the province of British Columbia has communicated the contents of that letter to the federal government. With regard to whether the federal government has received it, I think it would be beneficial to know whether the federal government would be prepared to assist financially if it should occur that the Ross group had to make representations at the hearing. I think my time is up, Mr. Speaker. I would appreciate the minister dealing with the matters raised.

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, in answer to the questions raised by the hon. member for Vancouver South (Mr. Fraser), I would say the following. The Canadian government and the government of British Columbia, both separately and jointly, have said that the flooding of the Skagit valley in British Columbia will not take place. This message, loud and clear, has been transmitted to Washington. It is a message which has been received there with concern.

We have now had a reply from the United States State Department officials. They agree, in principle, to the convening of a meeting or a series of meetings with the two principle parties with a view to terminating a long-standing contract. The two principal parties are the Seattle City Light Company, owned by the people of the city of Seattle, in the United States, and the government of the province of British Columbia, in Canada.

The date of the meeting between the four parties, the two principal parties, Seattle City Light and the government of British Columbia, and the United States Department of State, and External Affairs, supported by the Department of the Environment for Canada, has not been set. It is expected, however, that it will be some time within the next month. This is a matter which I will be taking up on Monday, April 9, with Mr. Russell Train, chairman of President Nixon's environmental council, when he comes to Ottawa to discuss this and other matters.

The United States State Department raised the matter with Premier Barrett when he was in Washington recently. He agreed, to explore several possibilities originating with Seattle City Light, one of which was the supply of power from British Columbia in lieu of the power that would have otherwise have been generated by the Ross dam in the United States, the reservoir of which would have flooded back into Canada.

As I understand it, Mr. Barrett's response was one of interest but not of final commitment. I understand Seattle City Light has since been in touch with the British Columbia hydro authority with a view to negotiating an export of power from Canada in lieu of power which would otherwise have been generated in the United States from Canadian water flowing down the Skagit valley.

The hon. member for Vancouver South asked about the Ross group. I think the Ross group is right in not spending too much time and money preparing a brief in opposition to the flooding. It should nevertheless continue its watching brief. As I understand it, Seattle City Light is scheduled to appear before the U.S. Federal Power Commission. The date has been put off an additional number of months to December, 1973. Hopefully, long before those hearings begin and long before it would be necessary for Canada and British Columbia otherwise to intervene in those hearings, there will be meaningful negotiation between Seattle City Light and British Columbia which will terminate this threat of flooding in the Skagit valley forever.

• (2210)

FISHERIES—FRESHWATER FISH MARKETING CORPORATION—INVESTIGATION BY STANDING COMMITTEE OF OPERATIONS AND DISMISSAL OF EMPLOYEES

Mr. Doug Rowland (Selkirk): Mr. Speaker, perhaps I can begin by presenting some background. On January 11, 1973, I learned of large lay-offs at the Freshwater Fish Marketing Corporation's new Transcona plant. Accordingly on January 12, under the provisions of Standing Order 43, I asked the unanimous consent of the House to move a motion on the grounds of urgent and pressing necessity, and as an explanation I provided the following information:

Yesterday the Freshwater Fish Marketing Corporation announced large lay-offs of personnel in their Winnipeg and Selkirk plants. This action follows radical alterations in the marketing procedures pursued by the Corporation, the dismissal or resignation of significant numbers of the Corporation's most senior staff, allegations that the Corporation is running a huge deficit and allegations that a part of the inventory of fish of the Corporation cannot be accounted for . . . I therefore move:

That the Standing Committee on Fisheries and Forestry be immediately established and that the entire matter of the administration and operations of the Freshwater Fish Marketing Corporation be referred to it for investigation and report.

Unanimous consent was not granted. Therefore, on January 19 I asked the Minister of Fisheries (Mr. Davis) the following question in the House:

In the light of recent events associated with the Freshwater Fish

Marketing Corporation, including the resignation and dismissal of a large number of senior staff and the unfavourable profit and loss picture of that corporation, does the minister intend to refer the matter of the administration and operation of the corporation to the Standing Committee on Fisheries and Forestry for investigation and report?

The minister's reply was as follows:

Mr. Speaker, the answer is yes. As hon. members know, we have encountered management problems in the operations of that joint federal-provincial Crown company. This matter must be referred to the committee because of the financial losses involved.

By February 2 no action had been taken with respect to an inquiry, so I put a further question to the minister as follows:

A couple of weeks ago the minister gave an undertaking to the House that there would be an inquiry by the Standing Committee on Fisheries and Forestry into the operations of the Freshwater Fish Marketing Corporation. Is he now in a position to indicate to the House when he expects this inquiry to begin, and when he expects the committee to be set up, and would he also give some indication of the terms of reference to be given to the committee?

The minister's answer was:

I hope to be able to make a statement to the House in this connection shortly.

Mr. Speaker, it is now April 3, two months later, and an inquiry has yet to be held. There has still been no reference to the committee with respect to the affairs of the corporation. Each day of delay in referring the matter to the committee ensures that the committee will encounter increased difficulty in getting to the bottom of the questions which are currently the source of rumours and discontent with the corporation. Each day's delay means it will be more difficult for the committee to call key witnesses before it as they become dispersed and involved in other employment, in some cases.

I realize that the standing committee is presently examining the minister's estimates and that during this examination the committee is free to make inquiries about the corporation. However, examination of the estimates does not provide the committee with the time or the scope for the undivided attention this subject demands. The FWFMC is the key to the livelihood of virtually every commercial fishermen in northwestern Ontario, the prairie provinces and the Northwest Territories. It is a Crown corporation and it has been the instrument of introducing radical changes into the fishing industry in the regions mentioned. Because of its importance to a key sector of the western economy, and because the livelihood of large numbers of Canadians is totally dependent upon its efficient operation, the subject demands a full inquiry based upon terms of reference permitting a complete examination of the corporation's operations and administration.

There are many questions to be answered. For example, did the Auditor General refuse to endorse the corporation's books and, if so, why? Has the corporation suffered losses? If so, did they amount to $1 million, $1.5 million, $3 million or $5 million? I have heard all those figures cited. Then again, is part of the corporation's inventory of fish unaccounted for? If so, how much, and why?

Have purchasers of fish from the corporation defaulted on payment for goods received? If so, how many and in what amounts? Why have large numbers of senior staff of the corporation been dismissed or resigned, and what is their side of the story? Has adequate compensation been granted to fish buyers, processors and distributors displaced by the corporation? Are there large amounts of expensive fish processing equipment lying unused and deteriorating in the new Transcona plant? Has the new plant proved to be inadequate for the task of handling the volumes of fish reaching it for processing, with resultant wastage? Are other new plants being contemplated? Have attempts at new marketing procedures and the development of new fish products been abandoned? If so, why and with what result?

Why are there large fluctuations in the labour force associated with the processing of fish by the corporation, and can these fluctuations be controlled? Why have fishermen in northwestern Ontario elected to cease operating under the auspices of the corporation? Why has the Saskatchewan Fishermen's Co-operative voted to do the same? What are the grievances of fishermen in The Pas, Manitoba, and are they justified? Was the new plant located in Transcona rather than in Selkirk because of cold, hard, economic fact, or because of political patronage of the worst sort, as claimed by Liberal candidates during the last election would seem to indicate?

All these questions and many, many more require answers. In posing these questions, I in no way wish to imply anything beyond the fact that those are questions that are being asked, and because they are being asked they demand to be answered. If half of these problems exist, then a public inquiry is necessary. Answers to these questions can only be obtained through a full public inquiry. Thus, I wish to know when this House may be presented with the terms of reference for such an inquiry by the minister, and when the standing committee can get down to that job. I hope the minister will be able to supply us with that answer this evening.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the hon. member for Selkirk (Mr. Rowland) has asked a number of questions, such a large number that I shall be able to answer only a few of them this evening.

I should like to inform him that the estimates of my department have been before the fisheries committee of the House on three separate occasions and will be before members of this House for another ten days. I will be in attendance at all times and would be glad to try and answer these questions there. The chairman of the Freshwater Fish Marketing Corporation is scheduled to be there next week and for as long as the committee wants to keep him there. So I suggest to the hon. member for Selkirk that either he get himself on the committee or that he arrange for somebody else to ask these and other questions on his behalf.

This is a serious matter. Unlike the Saltfish Corporation, the Freshwater Fish Corporation has run into financial difficulty. This is a corporation that was set up originally at the request of the three prairie provinces. It is a corporation which is a joint enterprise between the prairies provinces and the federal government, with Ontario included and the Northwest Territories. It was created to deal with a very difficult, I would say messy, fish marketing situation. Its main purpose was to create a single selling desk instead of dozens of local operators operating mainly from telephone booths. The single desk was an

attempt to deal effectively from a position of strength with fish buyers from the United States.

For the first year it managed to increase the price of fish to fishermen at the lakes materially—somewhere between one-third and 50 per cent. By contrast, the last two years have been years of difficulty. First, we had the mercury problem; second, there was the change in value of the Canadian dollar which effectively reduced the price by 10 per cent. Serious overfishing, particularly in Lake Winnipeg, has resulted in a marked reduction in the quantity of fish which the province will allow to be taken from that very important lake. As a result of that, in the case of the start of the difficulties poor design of some equipment in the new plant at Transcona resulted in serious miscalculations about inventory, with a serious loss of fish. There was a shortfall run amounting to several millions of dollars over a period of two years.

• (2220)

The federal government has agreed to meet half of that loss as an exceptional measure and has asked the provinces to do likewise. If the provinces match the federal government, the fishermen on the lakes will not suffer in terms of price. We have had difficulties in respect of management as well as problems in respect of marketing in the United States. Hopefully, these are challenges that the corporation will be able to overcome in the long run.

DRUGS—AVAILABILITY OF QUAD PROGRAM DATE TO BULK PURCHASERS, PHYSICIANS AND OTHER HEALTH PROFESSIONALS

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I had hoped that because of the importance of this matter the Minister of National Health and Welfare (Mr. Lalonde) would be in the House this evening. However, I am glad to see that his parliamentary secretary is here.

On February 28 I asked the Minister of National Health and Welfare the question which appears on page 1757 of *Hansard*, namely, if he would table in the House the various investigative studies, including those relating to bioavailability, which would substantiate the claims presented in the QUAD' 72 publication.

Again on March 8 I raised the question in the House which appears on page 2020 of *Hansard*. On that occasion I pointed out the necessity of presenting the scientific data supporting the claims of the QUAD publication to the professionals responsible for prescribing drugs, in order to allay the apprehension which had developed between the minister and his top departmental officials concerning the therapeutic equivalents of drugs.

It may be that I did receive a portion of this information last Monday. Although I will not attempt to comment on how to summarize the analytical data, as suggested by the minister in his accompanying letter, I would like to comment on the program itself because of the possibilities it offers to the professions, the industry and, above all, the consumer, particularly if it can be developed in the proper atmosphere, an atmosphere which must be devoid of political overtones such as those in the minister's statement of March 13. If I may, Sir, I should like to quote the last paragraph of that statement as an example of what I refer to as political overtones. The statement is as follows:

> The government feels that QUAD is sufficiently valuable that we are prepared to take whatever action is necessary to ensure that achievement of its goals is not thwarted.

I think that is a classic example of this attitude on the part of the government. I can assure the House that a program which is scientifically oriented and so closely related to the expanding field of biopharmacology must be nurtured and allowed to grow without intervention by political decisions.

I concur, also, with the initial concern of the government to evolve a plan which would reduce the cost of drugs to the Canadian public. Indeed, we should pursue that goal. I also assure Your Honour, from personal experience, that the fundamental question which must always be answered is: Does the patient have an effective drug? In clinical practice the problem is one of effectiveness, and it may be a difficult decision to determine whether chemical assay percentages of plasma concentrations are the best indicator of drug effectiveness. Clinical evaluation of a drug must be an important component of investigation. The government should join with the industry and the academic community to establish this setting and promote research in areas such as improving drug monitoring techniques, encouraging additional pharmacological research and ensuring optimum drug utilization and rational prescribing. I could give a classical example of the introduction of L-Dopa in the treatment of Parkinson's disease in the United States, in which there was a definite correlation between industry, the government and the academic community.

The government also has the responsibility to reduce the cost of drugs, and an equal responsibility to ensure that they are effective and safe, which implies that the information must be made available to prescribers, as well as patients, on their use and efficacy. In the report the minister indicates that the program was built upon four cornerstones; chemical analysis, comprehensive evaluation of manufacturing capability, measurement of clinical effectiveness, which is equated with bioavailability, and publication of the data.

Unfortunately, as one peruses the statement it has taken on an aura analogous to the scriptures, where truths are presented throughout the 17 pages and one has the impression he would be branded as a heretic if he questioned the conclusion. I would suggest, Sir, that in an area which is exploding with knowledge the minister should welcome the critics with their searching questions, their doubts and concern for improving drug quality.

As an example, Dr. R. J. Withey, when he was with the food and drug directorate, reported at the fifth annual symposium of the Canadian Association for Research in Toxicology that the matter of bioavailability was not yet settled. Following studies of administration of chloromphenical, by different doses and different routes, to pigs, he concluded there was no difference between the dosage formulations or the selected routes of administration based solely on bioavailability and suggested at that time the performance of a drug be assessed in terms of its pharmacoid activity rather than in terms of bioavailability.

Let me suggest possible areas of responsibility for government action relative to drugs. I recognize there has been a meagre beginning. First, they should ensure all drugs in general use are reasonably effective and safe. Second, they should be concerned with drug research, not only those prescribed by doctors but self-medication and abuse of drugs by society. In addition, research in clinical pharmacology should be expanded. Third, government should take responsibility for research in important areas such as cancer research and cardiovascular disease, which frequently are commercially unrewarding. Finally, government should see that patients get value for their money.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the series of questions originally raised by the hon. member for Lambton-Kent (Mr. Holmes), I believe have been responded to in the letter from the minister to the member dated March 30 to which he referred. It deals with the difficulty involved in the processing of analytical data which form the bases of the QUAD program itself. It is an extremely complex subject and one which involves volumes and volumes of material. It is extremely difficult to be able to examine these in the way they should be examined by doctors and others who are concerned about the question.

The next point I would like to make is that the hon. member, not only in his original questions but again tonight, indicated that there is some conflict between the minister and his officials in respect of equivalents of the drugs that are covered in the QUAD program. This simply is not true. There is no disagreement whatever between the officials and the minister in respect of this. The member talked about the importance of reducing the cost of drugs to consumers, and at the same time ensuring that they are effective and safe. That is precisely the reason for the QUAD program.

It seems rather difficult to understand the hon. member, when you marry that particular idea with another one which came forward in his remarks when he indicated that this kind of thing should be free of any kind of political interference or political overtones. He quoted from a release which I do not have in front of me, but I challenge what he said basically. He talked about the minister stating that he would make sure that the goals of the QUAD program would not be thwarted.

Surely that is a kind of political interference which is very good and which shows the determination that the government has, not only that the drugs taken by Canadians be safe, but also that information is available so that they can have those drugs at the lowest possible cost. Surely there is a role for government in this respect. I would be surprised if the hon. member for Lambton-Kent would not agree with me that we must make sure that drugs are analysed and that the information is presented to the Canadian public so that they will know that the drugs they can choose are clinically equivalent and can be bought for the cheapest possible price. That is the purpose of the program, and I think all hon. members would subscribe to it.

Motion agreed to and the House adjourned at 10.32 p.m.

HOUSE OF COMMONS

Wednesday, April 4, 1973

The House met at 2 p.m.

PRIVILEGE

MR. BROADBENT—ALLEGED FAILURE OF MINISTER OF INDUSTRY, TRADE AND COMMERCE TO PROVIDE INFORMATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a question of privilege which concerns the failure of a minister to provide information to members of the House which legitimately he should provide.

Yesterday, while searching through the material related to the application by Bell Canada to the Canadian Transport Commission for increased telephone rates, I found a document dated December 28, 1972, presented by Bell Canada to the Canadian Transport Commission. It contains an item identified as No. 15 which reads as follows: "IRDIA grants credited to expense account, $1,212,482." This means that Bell Canada has declared in a public document that in 1972 it received federal grants administered by the Department of Industry, Trade and Commerce in the amount of $1.2 million.

On January 4 of this year I put on the order paper a question asking for the names of recipients of grants under IRDIA and the amounts paid. On March 7 the Minister of Industry, Trade and Commerce (Mr. Gillespie) tabled his answer, which reads in part as follows:

> Section 13 of the Industrial Research and Development Incentives Act prevents the disclosure of this information.

My first point of privilege is that the members of the House of Commons are refused by the government information involving an expenditure of some $165 million since 1967 under the pretext of statutory secrecy, while a recipient of these grants, in this particular case Bell Canada, is at liberty to divulge the same information in a public document.

The second point of privilege arises from the fact that the minister is using the Industrial Research and Development Incentives Act to withhold inappropriately requested information from members of this House and the public. The minister—and this is the important point here—referred to section 13 of the act. Section 13 reads as follows:

> All information with respect to a corporation obtained by an officer or employee of Her Majesty in the course of the administration of this Act is privileged, and no such officer or employee shall knowingly, except as may be necessary for the purposes of sections 11 and 12 or in respect of proceedings relating to the administration or enforcement of this Act, communicate or allow to be communicated to any person not legally entitled thereto any such information or allow any such person to inspect or have access to any application or other writing containing any such information.

The point I want to make is that the information requested by me does not involve information obtained by the department from the corporation but information which had been generated by the department itself, namely, the amount of the taxpayers' money which the Minister of Industry, Trade and Commerce, in his wisdom, had decided to give corporations. I maintain that the Minister of Industry, Trade and Commerce is therefore incorrectly using section 13 of the act to prevent members of the House and the public from finding out who is getting multimillion dollar grants from the federal treasury.

Therefore, if Your Honour agrees that this is a legitimate question of privilege—I think it is and I am sure you will agree—I would move that this matter be referred immediately to the Standing Committee on Privileges and Elections.

Mr. Speaker: I think I should advise the hon. member immediately that I have to disappoint him; I do not agree that this kind of question is a question of privilege that ought to be referred to a standing committee of the House and, in particular, to the Standing Committee on Privileges and Elections.

By way of introduction to the brief remarks I will make regarding the hon. member's proposed motion, I might say that the notice he filed with the Chair earlier today is not, I suggest, entirely within or does not fulfil the requirements of the Standing Order. Hon. members are required by the Standing Order to indicate to the Chair, for the guidance of the Chair, the substance of the matter that they propose to raise by way of a question of privilege. I think I should suggest to the hon. member that it is not sufficient, and it does not fulfil the requirements of the Standing Order, simply to say that he proposes to raise a question of privilege having reference to the Minister of Industry, Trade and Commerce. But I say this only in passing; it is not the substance of the comments I propose to make.

The hon. member claims that the Minister of Industry, Trade and Commerce is not supplying him or the House with certain information, which the hon. member claims the minister is required to do. I suggest respectfully to the hon. member that that is debate between himself and the minister. I really do not think it would be conducive to effective study and consideration of the business of the House if, every time a minister refused to give information for one reason or another and an hon. member felt that the information ought to be supplied to the House, the dispute were to be referred to the Standing Committee on Privileges and Elections. That committee, I suggest, would then be overloaded with the business of dealing with such questions. I think this is a matter of argument between the hon. member and the minister.

Form of Committee Reports

• (1410)

The Standing Orders do provide ways and means by which hon. members can seek information by verbal or written questions, or by requiring the production of papers or documents. With all respect to the hon. member, I suggest that is the method or the procedure he should attempt to follow in accordance with the Standing Orders.

* * *

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Second and third reports of Standing Committee on Indian Affairs and Northern Development—Mr. Buchanan.

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

Mr. Speaker: I hesitate to seek the floor a second time but I do so only for a few minutes as I think this might be the appropriate moment to refer to certain procedural difficulties arising from the report of the Special Committee on Trends in Food Prices which was presented to the House on Monday of this week.

Hon. members will have observed that there stands in the name of the hon. member for Vancouver-Kingsway a motion to concur in this report, and presumably this motion could come forward for debate as early as tomorrow.

I draw the attention of hon. members in particular to recommendation No. 6 of the report, which is to be found at page 234 of *Votes and Proceedings* for Monday, April 2. It states:

> That the Department of Consumer and Corporate Affairs make specific moneys available to consumer groups to present briefs to various governmental boards, where appropriate.

It may be that there is available to the department funds to cover the recommendation I have alluded to, so perhaps the objection is not substantial or serious, but I feel that a direct recommendation of this nature appears to be a departure from the procedure and practices of the House. I would draw to the attention of hon. members, without reading it, citation 260(1) of Beauchesne's Fourth Edition.

Hon. members will have observed also that the chairman of the Standing Committee on Indian Affairs and Northern Development has, a moment ago, tabled two reports of the committee, and it is possible that the House may be faced again with a motion to concur in these reports in the immediate future. I particularly draw the attention of hon. members to the recommendation dealing with the allocation of federal funds for the settlement of certain claims. Here again, the recommendation is a departure from the well established form which is to the effect that the government is required to give consideration to the advisability of a certain recommendation proposed by a committee. As hon. members will appreciate, this question really goes to the root of our whole system, and in my view the House should not embark lightly on a new procedural course which would appear to be at odds with the Standing Orders and, as I have said, with the long established practice of the House.

[Mr. Speaker.]

I make these observations at this point merely as a caution in order that members may consider the difficulty. I make no ruling. It may well be that hon. members can easily satisfy the Chair that in at least one instance there is no particular difficulty. Perhaps the Chair does not interpret correctly the word "recommend", and that a recommendation of a committee is not in itself binding on the government. But I do feel this is a matter of some importance which should concern all hon. members and which perhaps should be looked into further in due course, not necessarily today.

As I said, I am making these remarks at this time only so that hon. members may give some thought to the possibility that a point of order could be raised when concurrence in these reports is moved in the House later.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on the point of order which in effect has been raised by the Chair. I realize one is not supposed to question the Chair from the floor, but I wonder if I might pose this issue? Is the comment from the Chair a comment on the validity of the report of the Special Committee on Trends in Food Prices, or does it involve the procedural acceptability of the motion for concurrence in that report?

Mr. Speaker: As the hon. member says, the Chair should not be involved in a debate on procedural points. I think I have made the point sufficiently clear. I have raised it not as a formal issue but as a caution. I thought hon. members would want to give some advance consideration to the point I have raised for the guidance of hon. members. In any event, at the point when the motion for concurrence is proposed the Chair might be prepared to entertain the advice of hon. members on this matter, not in respect of the whole report but rather in respect of the particular recommendation contained in these reports.

Mr. Baldwin: I take it that what Your Honour is doing is filing a caveat which might have to be considered at the time a motion might be made which if passed, might place the House in the position of accepting the report. The practice of filing caveats is one this party takes so often, Mr. Speaker, in respect of government measures.

Mr. Speaker: The hon. member is correct, of course, in his interpretation of what I tried to say.

* * *

[*Translation*]

MANPOWER

PROPER USE OF FUNDS PROVIDED FOR CERTAIN PROGRAMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Henry Latulippe (Compton): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House to introduce a motion on a subject which is of urgent necessity, concerning the Local Initiatives and Opportunities for Youth Programs.

Therefore, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

> That this House do appoint immediately a special committee made up of representatives of all parties to examine the possibility of entrusting the provinces and municipalities with the Local

Initiatives and Opportunities for Youth Programs so that the funds appropriated for these agencies be used more adequately for the needs of the people.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the hon. member's motion cannot be put.

* * *

[*English*]

COMMUNICATIONS

BELL CANADA RATE INCREASES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I rise on a matter of urgent necessity under Standing Order 43, namely, the issue of the increased telephone rates granted Bell Canada. Since I rose on this matter yesterday the Quebec Minister of Communications has expressed opposition to the increase and Bell has now filed its new rates with the commission, so they will become effective a week from today. Considering that these two new and important events add urgency to the situation, I am hopeful that all members will be persuaded that this motion should be agreed to without debate. I therefore move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the difficult and complex issue of telephone rate increases be referred to the Standing Committee on Transport and Communications, and that the committee report its findings and recommendations to the House before April 11.

Mr. Speaker: The House has heard the hon. member's motion under Standing Order 43 which requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

[*Translation*]

The hon. member for Champlain.

Mr. René Matte (Champlain): Mr. Speaker, I was going to introduce exactly the same motion as the one moved by the hon. member for Toronto-Lakeshore.

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

DEPARTMENT OF COMMUNICATIONS PUBLICITY EXPENDITURES

Question No. 95—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Communications on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

2. What were the names and addresses of firms or individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): In so far as the Department of Communications is concerned: 1. Money spent on publicity and/or information: in 1968-69: this department came into existence April 1, 1969. Therefore there is no information available for fiscal year 1968-69. In 1969-70: Nil. In 1970-71: Nil. In 1971-72: Nil.

2. Not applicable.

3. Contracts awarded in fiscal year 1972-73: to John Doherty Co. Ltd., Ottawa, Ont., two contracts for a total of $9,800 to provide consultant and editorial services.

[*English*]

NEW JOBS—OFY, LIP, DREE

Question 283—**Mr. Leggatt:**

1. What was the total number of new jobs created in the fiscal year ended March 31, 1972, for each of the following government program or departments (a) OFY (b) LIP (c) DREE?

2. What was the total number of immigrants to Canada in the fiscal year ended March 31, 1972?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of the Secretary of State (Opportunities for Youth program), Manpower and Immigration and Regional Economic Expansion as follows: 1. (a) 27,832 jobs were created in the fiscal year ended March 31, 1972, under the OFY program. (b) Records of jobs created were not maintained on a fiscal year basis. The nature of the program was such that its time span covered part of the fiscal year 1971-72 and part of fiscal year 1972-73. Therefore, the total of 92,000 jobs created is for the period to May 31, 1972. (c) Projects that were certified in commercial production from April 1, 1971 to March 31, 1972 and which were subsequently inspected by an officer of the Department for payment indicated that the number of jobs created was approximately 14,300. Details of the total jobs created by all programs of the Department of Regional Economic Expansion are not available; however, for industrial development projects under the Regional Development Incentives Act and Special Areas programs the figures are indicated above.

2. 117,568.

PACIFIC WESTERN AIRLINES VANCOUVER SERVICE

Question No. 543—**Mr. Reynolds:**

1. Has Pacific Western Airlines applied to fly a Seattle-Vancouver service and, if so, what decision was rendered?

Order Paper Questions

2. Have complaints been registered about the present stop at Victoria and, if so, how many?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1. No.

2. There are no complaints before the Air Transport Committee.

IMPORTS OF AUTOMOBILE PARTS FROM U.S.A.

Question No. 622—**Mr. Rowland:**

1. Is the government importing automobile components from the United States which contain chrome originally obtained in Southern Rhodesia and, if so, what was the value of the imported components involved for each of the years 1968 through 1972?

2. Is 1968 Order in Council 2339 still in effect and, if so, is it being applied with respect to direct and indirect importation of Rhodesian chrome?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. Information not available.

2. Yes, the 1968 Order in Council 2339 is still in effect and is being applied with respect to direct and indirect importation of Rhodesian chrome.

CANADA-U.S.S.R. HOCKEY SERIES—RECEIPTS

Question No. 626—**Mr. Rose:**

What is Hockey Canada's share of (a) the receipts from the Canada-U.S.S.R. series (b) from the other games in Europe?

Hon. Marc Lalonde (Minister of National Health and Welfare): Hockey Canada is a Private Corporation, established under Part 2 of the Companies Act, and while the Federal Government makes a grant to Hockey Canada, the Department of National Health and Welfare has no authority to divulge Hockey Canada's share of (a) the receipts from the Canada-U.S.S.R. series (b) from the other games in Europe.

FEES PAID TO OFFICIALS OF HOCKEY CANADA

Question No. 627—**Mr. Rose:**

What were the amounts of fees, remunerations and salaries paid to all officials of Hockey Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): Hockey Canada is a Private Corporation, established under Part 2 of the Companies Act, and while the Federal Government makes a grant to Hockey Canada, the Department of National Health and Welfare has no authority to divulge the amounts of fees, remunerations and salaries paid to all officials of Hockey Canada.

STUDY ON INCLUSION OF OPTOMETRY AND DENTAL SERVICES INTO MEDICARE

Question No. 684—**Mr. Muir:**

Has the Department of National Health and Welfare undertaken any studies on the inclusion of optometry and dental services into Medicare and, if so (a) what were the names of the studies (b) by whom were they undertaken (c) how much did each cost?

[Mr. Reynolds.]

Hon. Marc Lalonde (Minister of National Health and Welfare): The department periodically estimates the cost to the people of Canada of various health care services other than those covered by the major insurance programs—both under present arrangements and if provided as an insured service. Optometry and dental services are among the health care services considered. These estimates are prepared by experts within the department and the cost is absorbed as part of the annual program administration expenditure. The studies, being entirely in-house, are unnamed.

LOCAL INITIATIVES PROGRAM

Question No. 774—**Mr. Leggatt:**

1. What was the total amount of money (a) applied for (b) granted under LIP, in the fiscal year ended March 31, 1972, in each of the following centres (i) Vancouver (ii) Winnipeg (iii) Toronto (iv) Montreal?

2. What was the total amount of money (a) applied for (b) granted under LIP, in the fiscal year ended March 31, 1972, for cultural grants in each of the following centres (i) Vancouver (ii) Winnipeg (iii) Toronto (iv) Montreal?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. (a) This information cannot be made available without excessive cost as details of unsuccessful applications were not computerized. (b) (i) Vancouver: $6,147,618; (ii) Winnipeg: $5,291,098; (iii) Toronto: $4,864,347; (iv) Montreal: $18,400,235.

2. (a) This information cannot be made available without excessive cost as details of unsuccessful applications were not computerized. (b) (i) Vancouver: $832,236; (ii) Winnipeg: $207,868; (iii) Toronto: $906,015; (iv) Montreal: $1,156,307.

NEW HORIZONS PROGRAM, ALBERTA

Question No. 828—**Mr. Mazankowski:**

1. Under the New Horizons program, who applied for and received grants to January 10, 1973, in the Province of Alberta?

2. What was the address of each applicant?

3. How much did each applicant receive?

4. What was the project undertaken by each applicant?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1, 2 and 3.

Name and Address	Amount Granted $
Centennial Club #25, c/o Mr. Peter Larsen, President 4737-34th Street, Red Deer, Alberta	1,000
Camrose Golden Club, c/o Mrs. Oma Huolt, President 4856-51 Street, Camrose, Alberta	600
Blackfalds Senior Citizens Cheemo Club, c/o Mr. E. Bergman, President	5,750

Name and Address	Amount Granted $
Box 244, Blackfalds, Alberta	
Visiting Resource Volunteers, c/o Mr. O. S. Geiger, Chairman 2612 Toronto Crescent, Calgary, Alberta	1,200

4. Centenniel Club No. 25: The project entitled "The Village Inn", has two parts: the opening of a drop-in centre for elderly people that will bring together senior citizens from a village of 250 people and the surrounding area; and secondly, the opening of a craft shop in which senior citizens will work and then try to merchandise their wares.

Camrose Golden Club: The grant is for the project "Louder, Please", which will enable the club to purchase and install a public address system in its meeting hall. The Golden Club has 180 active senior citizens as members, some of whom, however, have hearing disabilities that hamper their efforts at becoming totally socially animated in the activities of the club.

Blackfalds Senior Citizens Cheemo Club: The grant will allow for the continuation of a good quality of life, both artistically and recreationally, for the senior citizens of Blackfalds, a community 90 miles south of Edmonton. The grant will help defray costs of providing a senior citizens' lounge, and will result in the inauguration of a number of activities that will involve senior citizen participants in the club itself, as well as with other organizations.

Visiting Resource Volunteers: The grant will enable an active group of retired persons and senior citizens to productively use their leisure time by visiting Calgary elementary schools and addressing the young children. Talks will vary but will draw upon the experiences and knowledge of the participants to discuss such things as the early years of settlement and development of Western Canada. The project helps overcome any generation gap and gives the elderly participants a meaningful role in the community. The grant covers materials, and transportation costs.

DAY CARE CENTRES

Question No. 830—**Mr. Stackhouse:**

Is it the intention of the government to convene a conference with the provinces to clarify jurisdiction over and responsibility for day-care centres?

Hon. Marc Lalonde (Minister of National Health and Welfare): The provinces clearly have jurisdiction over and responsibility for administering day care programs including the licensing of day care centres. The federal government's role is primarily a financial and consultative one. Under the terms of the Canada Assistance Plan, the provinces are reimbursed 50 per cent of shareable costs of operating day-care centres. In addition, a National Day Care Information Centre has been established within the Plan whose purpose it is to act as a clearing house for information on day-care. It is possible that this subject will be raised in the context of the over-all revision of the social security system which the provinces will undertake with the federal government this coming April.

INCOME TAX EXEMPTIONS FOR CANADIAN UNIVERSITIES EMPLOYEES

Question No. 845—**Mr. Andre:**

1. For each year 1966 to 1971 inclusive, how many individuals employed at Canadian universities were exempted from paying income tax?

2. How many of these individuals subsequently became ineligible for income tax exemption?

3. For Parts (1) and (2), what was the distribution by province?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: 1, 2 and 3. Based on the records kept by this department, it is impossible to provide an answer to this question.

WELFARE TRAINING GRANTS

Question No. 869—**Mr. Orlikow:**

1. How much money was allocated under the welfare training grants to help pay for the education of people desiring to improve their qualifications in the field of social work?

2. How many people are now at recognized professional schools under the provisions of these grants?

3. What are the amounts of the bursaries provided?

4. Was any money allocated for research projects in the field of social service?

5. Were any plans developed for research into appropriate use of sub-professional staff in the field of social welfare?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. In 1971-72, $327,150 was allocated under the welfare training grants to help pay for the education of people desiring to improve their qualifications in the field of social work.

2. In 1971-72, a total of 80 people attended recognized professional schools under the provisions of these grants, 29 of which received fellowships and the remainder, provincial bursaries.

3. The amounts vary with the province, but the average appears to be approximately $3,000.

4. In 1971-72, $410,127 was allocated for research projects in the field of social service.

5. Several applications to this end were received in 1971-72 under the National Welfare Grants program of the Department of National Health and Welfare. One of these was supported to the extent of $17,215.

OFY 1972—CRISIS CENTRE, WINNIPEG

Question No. 888—**Mr. Clark (Rocky Mountain):**

1. Did a contribution from Opportunities for Youth help finance a "crisis centre" at Winnipeg in 1972?

2. What other groups contributed to this "crisis centre"?

3. What was the extent of (a) OFY contribution (b) the contribution of each other source?

4. What was the described purpose of the "crisis centre"?

5. Who were the sponsors of the "crisis centre"?

Order Paper Questions

6. Who approved the OFY grant to this group?

7. What investigations preceded the decision to grant OFY funds to the "crisis centre" and by whom were the investigations carried out?

8. Was the grant to the Winnipeg "crisis centre" terminated prematurely and, if so (a) for what reasons (b) at whose direction?

9. Was Mr. Harold Mike Lewis the supervisor of the "crisis centre" and, if so (a) by whom was Mr. Lewis appointed (b) what investigations preceded his appointment (c) by whom were these investigations conducted?

10. Where is Mr. Lewis at this time?

11. Are any criminal or civil charges outstanding against Mr. Lewis by that or any other name, in Canada or any other country and, if so (a) what charges (b) in what name (c) in what country or countries?

12. Was Mr. Lewis a Canadian citizen at the time of his appointment as the supervisor of the "crisis centre"?

13. Was it a requirement of the OFY grant that (a) the project supervisor (b) each project staff member be a Canadian citizen?

14. Did officials of OFY investigate specifically to determine the citizenship of (a) Mr. Lewis (b) other staff members?

15. Is it a general requirement of the OFY Program that persons employed by OFY-funded projects be Canadian citizens or landed immigrants applying for Canadian citizenship and (a) if not, for what reason (b) if so, what procedures are followed to determine the citizenship status of persons employed by OFY-funded projects?

Hon. James Hugh Faulkner (Secretary of State): 1. Opportunities for Youth did not fund a crisis centre in Winnipeg in the summer of 1972.

2 to 14. Not applicable.

15. It is a general requirement that persons participating in Opportunities for Youth projects be Canadian citizens or landed immigrants. All project participants are required to sign the contract between the project and the Secretary of State which requires that all participants are either Canadian citizens or landed immigrants. If there exists any suspicion in the mind of the project officer that a participant is not of this status, the Immigration and Citizenship Registration authorities may be consulted.

DREE—NUMBER OF BANKRUPTCIES AFTER RECEIVING GRANTS

Question No. 900—**Mr. Latulippe:**

1. How many industries declared bankruptcy after receiving grants from the Department of Regional Economic Expansion in (a) 1968-69 (b) 1969-70 (c) 1970-71?

2. What was the total amount lost by the governemnt in (a) 1968-69 (b) 1969-70 (c) 1970-71?

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. The following is a list of the number of companies which are bankrupt under the Bankruptcy Act. The figures relate to the operations which became bankrupt during the control period of the relevant legislation (ADIA—36 months; RDIA—24 or 36 months). Therefore, this summary would not include companies that went bankrupt beyond the control period indicated above.

	Area Development Incentives Act	Regional Development Incentives Act
(a) April 1, 1968 to March 31, 1969	Nil	N/a
(b) April 1, 1969 to March 31, 1970	One	Nil
(c) April 1, 1970 to March 31, 1971	Three	Nil

2. In all cases the government has filed claims as a preferred creditor. (a) April 1, 1968 to March 31, 1969—Nil (b) April 1, 1969 to March 31, 1970—$19,413 (c) April 1, 1970 to March 31, 1971—$96,319 (of this latter total, a recovery of $81,167 is expected but has not yet been received).

[*English*]

DEPARTMENT OF AGRICULTURE PERSONNEL

Question No. 961—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of Agriculture?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of Agriculture?

4. How many of those employees were earning more than $18,000 anually, distributed according to $1,000 intervals?

Hon. E. F. Whelan (Minister of Agriculture): 1. 8,507.

2. Information not available from computer records. Would require several days manual effort to search individual files.

3. 9,152.

4. 771 as at January 31, 1973. $18,000 to $18,999, 151; $19,000 to $19,999, 168; $20,000 to $20,999, 76; $21,000 to $21,999, 85; $22,000 to $22,999, 60; $23,000 to $23,999, 66; $24,000 to $24,999, 49; $25,000 to $25,999, 35; $26,000 to $26,999, 23; $27,000 to $27,999, 19; $28,000 to $35,000, 38; $40,000 to $45,000, 1.

UNEMPLOYMENT IN DRUMMOND CONSTITUENCY AS OF FEBRUARY 1, 1973

Question No. 1,005—**Mr. Boisvert:**

1. How many workers were unemployed in the constituency of Drummond as of February 1, 1973, and of these, how many were (a) under welfare (b) recipients of Unemployment Insurance benefits (c) attending re-training courses?

2. How many persons applied for jobs to the Manpower Centre at Drummondville in 1972?

3. How many jobs were found by the Manpower Centre in 1972?

4. What is the average salary paid to those who found employment through the Manpower Centre at Drummondville?

5. What was the number of workers in the constituency of Drummond as of February 1, 1973?

[*Translation*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Manpower and Immigration and the Unemployment Insurance Commission as follows: 1. As of February 1, 1973, there were 2,943 unemployed clients registered with the Drummondville Canada Manpower Centre. (a) Not available. (b) As of February 1, 1973 there were approxi-

mately 3,500 Drummond constituents in receipt of unemployment insurance benefits. (c) As of February 1, 1973, there were 369 clients from the Drummondville CMC in training. These clients are not included in the count of unemployed clients in (1) above.

2. In 1972, 7,250 new client registrations were received by the CMC, and 6,271 client registrations were revived by persons re-applying at the CMC one or more times in the year.

3. 3,987 placements were effected by the CMC in 1972.

4. Not available.

5. Not available.

[*English*]

UNEMPLOYMENT INSURANCE ACT (1971)

Question No. 1,022—**Mr. Hueglin:**

1. To date, has there been a saving in welfare costs since the introduction of the new Unemployment Insurance Act (1971), and, if so, by how much?

2. What specific category or categories of welfare payments were affected by the introduction of the new Act?

3. How were the welfare payments referred to in Part 2 originally financed, and under what government jurisdiction do they lie at the stage when money is handed out to an individual?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. The rate of increase in general assistance (welfare) costs, which had been in excess of 20 per cent per year for each of the two previous fiscal years, fell to an estimated 10 per cent for the 1972/73 fiscal year. Several factors have contributed to this decline, including: broader unemployment insurance coverage and higher benefits; the impact of financial support provided under the Local Initiatives Projects and Opportunities for Youth programs; increases in Old Age Security and Guaranteed Income Supplement payments; increased Canada Pension Plan benefits. During the past eighteen months several provinces have increased their general assistance rates. Because of the interaction of these various factors, it has not been possible to identify precisely the savings in welfare costs attributable solely to the Unemployment Insurance Act (1971).

2. The general assistance provisions of provincially administered social welfare programs were affected by the introduction of the new Act, and in particular, the payment of financial assistance to unemployed but employable persons whose resources are insufficient to meet their basic needs.

3. The welfare payments referred to are made to individuals by the provinces and/or their municipalities. The federal government shares 50 per cent of the cost on the basis of monthly provincial claims submitted in accordance with the Canada Assistance Plan agreements.

LIP GRANTS FOR PURPOSE OF DEVELOPING FACILITIES FOR SNOWMOBILES

Question No. 1,024—**Mr. Kempling:**

Have any LIP grants been made for the purpose of developing facilities for snowmobiles and snowmobilers and, if so (a) how many by province (b) what is the total expenditure by province (c) what is the total over-all expenditure?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Yes.

Province	(a) Number of Projects	(b) Cost $
Nova Scotia	2	80,184
New Brunswick	2	57,832
Quebec	45	1,796,931
Ontario	2	37,016
Saskatchewan	1	10,296
Alberta	1	29,274
British Columbia	2	54,873
Canada	55	(c) 2,066,406

DEVELOPMENT OF NATIONAL HARBOURS BOARD PROPERTY IN NORTH VANCOUVER

Question No. 1,025—**Mr. Nelson:**

1. What plans exist for development for National Harbours Board property east of the Seymour River in North Vancouver?

2. Are there any plans for the development of bulk loading facilities on the Maple Wood Mud Flats between Seymour River and the Burrard Band Indian Reservation?

3. What plans does the National Harbours Board have for the Indian Arm area of Burrard Inlet?

Hon. Jean Marchand (Minister of Transport): The National Harbours Board advises as follows: 1. National Harbours Board has no prior plans for development of NHB property east of Seymour River in North Vancouver. Preliminary discussions with the District of North Vancouver have taken place as to possible use of the property as a Town Centre.

2. No.

3. The National Harbours Board has no plans for the Indian Arm area of Burrard Inlet.

GRANTS UNDER LIP

Question No. 1,059—**Mr. Nystrom:**

1. What were the total amounts of funds granted under the Local Initiatives Program to each of the ten provinces, the Yukon and Northwest Territories?

2. What was the total number of LIP projects approved for each province, the Yukon and NWT?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. See Schedule 1, Column 1.

2. See Schedule 1, Column 2.

Order Paper Questions

Schedule 1

Local Initiatives Program 1972/73

No. of Projects Approved and Federal Contributions as at March 7/73

Province	Funds Granted Column 1	No. of Projects Column 2
Newfoundland	11,715,004	327
Nova Scotia	10,147,304	355
Prince Edward Island	1,953,406	95
New Brunswick	10,773,249	407
Quebec	64,041,478	1,719
Ontario	24,910,497	1,256
Manitoba	6,861,195	243
Alberta	7,748,788	279
Saskatchewan	5,142,828	183
Northwest Territories	1,097,393	41
British Columbia	18,980,331	913
Yukon	654,219	34
Canada Total	164,025,692	5,852

ESTABLISHMENT OF DEEP SEA PORT IN PRINCE RUPERT, B.C.

Question No. 1,073—**Mr. Oberle:**

What commitment and contractual arrangements has the government entered into with contractors or local governments and what plans are being worked out in respect to the establishment of a deep sea port in Prince Rupert, B.C.?

Hon. Jean Marchand (Minister of Transport): The National Harbours Board advises as follows: NHB has no commitment and contractual arrangements with contractors or local governments. NHB proposes the construction of a deep sea dock facility comprising some 42 acres at the Fairview site at Prince Rupert. DPW has now completed first stage design and specifications and NHB proposes to call for tenders this spring.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE PERSONNEL

Question No. 1,077—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of National Health and Welfare?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of National Health and Welfare?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Six thousand one hundred and nine.

[Mr. MacGuigan.]

2.

Salary Range $	Full Time Employees
15,000-15,999	69
16,000-16,999	54
17,000-17,999	69
18,000-18,999	56
19,000-19,999	58
20,000-20,999	23
21,000-21,999	53
22,000-22,999	80
23,000-23,999	56
24,000-24,999	14
25,000-25,999	35
26,000-26,999	2
27,000-27,999	13
28,000-35,000	4
34,000-40,000	2

3. 7,164.

4.

Salary Range $	Full Time Employees
18,000-18,999	44
19,000-19,999	29
20,000-20,999	55
21,000-21,999	69
22,000-22,999	24
23,000-23,999	49
24,000-24,999	48
25,000-25,999	42
26,000-26,999	23
27,000-27,999	52
28,000-28,999	56
29,000-29,999	22
30,000-30,999	27
31,000-31,999	10
32,000-32,999	21
33,000-33,999	5
34,000-34,999	2
42,000-	2

POST OFFICE DEPARTMENT PERSONNEL

Question No. 1,084—**Mr. Paproski:**

1. How many full-time employees were under salary in the Post Office Department on (a) January 1, 1963 (b) January 1, 1973?

2. How many people in each of these years were receiving salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) over $20,000?

Hon. André Ouellet (Postmaster General): 1. (a) 24,830; (b) 37,293.

2. 1963: (a) 24,786; (b) 44; (c) Nil. 1973: (a) 34,873; (b) 2,274; (c) 146.

*REPLACEMENT FOR THE ARGUS LONG-RANGE MARITIME PATROL AIRCRAFT

Question No. 1,276—**Mr. Rowland:**

1. Has the government now decided to purchase a replacement aircraft for the Argus long-range Maritime patrol aircraft rather than undertaking a major refit of the Argus aircraft and, if so (a) how many long-range patrol aircraft does the government intend to purchase (b) what is the total anticipated cost of the aircraft (c) of the total anticipated cost, how much will be spent in Canada?

2. What is the regional breakdown of the total expenditures in Canada on the aircraft?

3. Will Canadian content requirements, if any, be part of the formal contractual arrangements with the successful bidder?

4. What companies have made submissions to the government with respect to a long-range patrol aircraft?

5. On what date may an announcement with respect to the purchase of an aircraft be expected?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am informed by the Department of National Defence and the Department of Supply and Services as follows: 1. Yes. (a) Not yet known as the number could vary depending on the type of aircraft selected; (b) Cost will not be known with any precision until the various proposals have been received and studied. (c) The amount of Canadian industrial participation will be evaluated when contractor proposals are received.

2. The regional breakdown cannot be evaluated until contractor proposals are received.

3. Yes.

4. Requests for contractor's initial response have been issued to: Canadair Limited, The Boeing Company, Hawker Siddeley Aviation Limited, Lockheed Aircraft Corporation, McDonnell-Douglas Aircraft Company.

5. At the present time it is anticipated that the purchase contract for an aircraft will be awarded in the fall of 1974.

AIR CANADA—NUMBER OF VICE PRESIDENTS

Question No. 1,295—**Mr. McKenzie:**

1. How many Vice-Presidents does Air Canada employ?

2. What are the salaries and responsibilities of each?

Hon. Jean Marchand (Minister of Transport): 1. Air Canada presently employs 18 vice presidents.

2. Their responsibilities are: Vice President and Assistant to the Chairman; Vice President, Personnel and Organization Development; Vice President, Flight Operations; Vice President, Operational Planning; Vice President, Payload and Operations Control; Vice President, Public Relations; Vice President, Computer and Systems Services; Vice President, Marketing; Vice President, Maintenance; Vice President, Purchasing and Facilities; Vice President, Finance; Vice President, Government and Industry Affairs; Vice President, Technical Services; Vice President, Eastern Region; Vice President, Central and Southern Regions; Vice President, Western Region; Vice President, US Region; Vice President, European Region; It has not been the practice to reveal information about the salaries of specific personnel.

DREE—BREAKDOWN OF EXPENDITURES BY PROVINCE

Question No. 1,296—**Mr. McKinnon:**

What is the breakdown, by province, of the estimated expenditures in each region as outlined in the estimates for the Department of Regional Economic Expansion under total program at page 22-4?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: The main estimates cannot be broken out on a provincial basis. The geographic distribution of incentives activity depends on the response of industry to the program and the geographic incidence of other program activity depends significantly on agreements that are in the process of being negotiated with the provinces.

DISTRIBUTION OF PAMPHLET "A WELCOME IS AWAITING YOU IN INDIAN COUNTRY"

Question No. 1,379—**Mr. Atkey:**

1. Is the pamphlet "Canada, A Welcome is Awaiting you in Indian Country", being distributed by the Department of Indian Affairs and Northern Development this year and (a) if so, what has been the extent of distribution for the past five years (b) if not, for what reason has distribution ceased?

2. Has the pamphlet been replaced by another pamphlet or pamphlets and, if so (a) what is the extent of distribution of the new pamphlets (b) what is the nature of the replacement?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The pamphlet "A Welcome is Awaiting you in Indian Country" ceased to be distributed early in 1972 when remaining stocks became exhausted. The pamphlet was distributed to (a) the Tourism Authority in each province for placement in Tourist Information Booths; (b) the Canadian Government Travel Bureau for distribution outside of Canada; (c) Information Services of the Department to satisfy enquiries.

2. The pamphlet is being replaced by a small, comprehensive directory treating all Indian operated tourist facilities in Canada. The Directory has been in preparation since before the supplies of the pamphlet became exhausted. It will be ready for distribution by June 1973 and will enjoy wide distribution through the normal tourist channels.

OLD AGE SECURITY PENSION

Question No. 1,382—**Mr. Lambert (Bellechasse):**

1. How many persons in Canada, aged 65 and over on December 31, 1972, received the Old Age Security Pension?

2. How many persons by province?

3. What was the total amount paid by the government for such purpose by province and what was the total amount for Canada?

4. How many persons in Canada, aged 65 and over on December 31, 1972, received the Guaranteed Income Supplement?

5. How many persons by province?

6. What was the amount paid for such purpose during the month of December 1972?

Order Paper Questions

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. 1,803,030.

2. See following.

3. See following.

4. 1,047,411.

5. See following.

6. See following.

Provinces	Question 2	Question 3	Question 5	Question 6
Newfoundland	33,331	$ 2,761,300	28,296	$ 1,700,435
Prince Edward Island	12,617	1,044,316	9,787	556,778
Nova Scotia	74,064	6,129,584	50,858	2,913,829
New Brunswick	55,881	4,670,292	38,873	2,189,007
Quebec	432,561	35,512,811	275,950	15,747,711
Ontario	664,696	55,461,568	330,875	17,044,463
Manitoba	98,505	8,127,143	60,544	3,395,678
Saskatchewan	97,572	8,203,772	60,731	3,190,059
Alberta	122,116	10,102,863	74,343	4,147,335
British Columbia	210,295	17,389,701	116,082	6,404,270
Yukon	880	72,847	746	51,585
Northwest Territories	512	42,434	326	20,788
	1,803,030	$149,518,631	1,047,411	$ 57,361,938

PUBLIC WORKS—NEW CUSTOMS OFFICE, LYLETON, MANITOBA

Question No. 1,445—**Mr. Dinsdale:**

1. What was the cost of the new Customs Office in Lyleton, Manitoba?

2. Was the building put out to tender and, if so (a) how many tenders were received (b) what was the tender in each case (c) who was the successful tenderer?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. The estimated total cost of this building which is still under construction is $93,000. This includes design, construction and supervision.

2. Yes; (a) Two; (b) (i) Tyndall Development Corporation Ltd. 1383 Pembina Highway, Winnipeg, Manitoba; Amount: $86,000; (ii) Penner & Company—Western Ltd. Kola, Manitoba; Amount: $94,000. (c) Tyndall Development Corporation Ltd.

INSTALLATION OF MERCURY LIGHTS AT DIGBY FISHERMAN'S WHARF

Question No. 1,459—**Mr. Haliburton:**

1. What year were mercury flood lights installed on the Digby Fisherman's Wharf?

2. What was the total cost of installation?

3. How many lamps were installed and what was the voltage?

4. What person or firm obtained contract for the installation?

5. Did installation costs include cost of erecting transmission lines to the site and, if so (a) over what distance (b) at what cost?

6. What has been the annual cost of maintenance since installation?

7. Are lamps serviced and maintained by an independent firm on contract or by departmental personnel, and in either case, where is their base of operation?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. 1971.

2. $10,800.

[Mr. Lambert (Bellechasse).]

3. Four 120-volt.

4. It formed part of spur wharf construction contract and the electrical work was subcontracted by McNamara Corporation Limited to Roy V. Germain Ltd., Yarmouth.

5. No.

6. 1971 $3.18; 1972 $8.75.

7. Maintenance is carried out by Digby County Power Board, Digby, N.S.

PFRA—NEGOTIATIONS TO INCREASE NUMBER OF COMMUNITY PASTURES

Question No. 1,475—**Mr. Stewart (Marquette):**

Are any negotiations taking place between PFRA and the Province of Manitoba (a) to increase the number of community pastures in the Province and, if so, in what areas of the Province (b) to enlarge present community pastures and, if so, where are these pastures located (c) for the Province to purchase land of any existing pastures that are presently leased from a municipality and, if so, where are these pastures located?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: (a) Although no formal negotiations have taken place between PFRA and the province of Manitoba with regard to increasing the number of community pastures in the province, discussions have taken place concerning the setting up of a committee to study proposals for the establishment of two new pastures in the central and northwest areas of Manitoba. (b) No. (c) No.

DEPARTMENT OF PUBLIC WORKS PERSONNEL

Question No. 1,479—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of Public Works?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of Public Works?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. 6,619.

2. $15,000 to $16,000, 52. $16,000 to $17,000, 47. $17,000 to $18,000, 49. $18,000 to $19,000, 10. $19,000 to $20,000, 20. $20,000 to $21,000, 16. $21,000 to $22,000, 25. $22,000 to $23,000, 2. $23,000 to $24,000, 12. $24,000 to $25,000, 1. $25,000 to $26,000, 1. $26,000 to $27,000, 1. $27,000 to $28,000, 1.

3. 6,013.

4. $18,000 to $19,000, 21. $19,000 to $20,000, 83. $20,000 to $21,000, 22. $21,000 to $22,000, 11. $22,000 to $23,000, 13. $23,000 to $24,000, 21. $24,000 to $25,000, 14. $25,000 to $26,000, 19. $26,000 to $27,000, 8. $27,000 to $28,000, 5. $28,000 to $35,000, 14. $40,000 to $45,000, 1.

PUBLIC WORKS—CONSTRUCTION WORK AT DIGBY FERRY TERMINAL

Question No. 1,528—**Mr. Haliburton:**

1. Was a contract entered into between the Department of Public Works and some independent party for the construction and equipping of the passenger ramp at the Digby Ferry Terminal and, if so (a) what was the name of the contractor and the date of the contract (b) did the contract set forth a completion date and, if so, what was the date (c) has the contract been completed and, if not, has it been extended (d) have there been any changes in the contract price (e) what is the currently estimated date of completion (f) is the work to be completed by the original contractor (g) has the Department imposed any penalty on the contractor for failure to complete in accordance with the contract?

2. Are any funds budgeted for this item for 1973-74 and, if not, for what reason?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Yes; (a) Contract was awarded to C.A. Annand Ltd. on December 9, 1971; (b) Yes, May 9, 1972 and was later extended to June 12, 1972. (c) No, the contractor went into receivership and contract was taken out of his hands; (d) Extra work in the amount of $1,349 approved; (e) May 31, 1973; (f) No; (g) Not applicable, refer to (c) above.

2. Yes, funds have been budgeted by Ministry of Transport.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—FUNDS CONTRACTED TO THE FIVE REGIONS OF CANADA

Question No. 1,534—**Mr. McKenzie:**

1. In the fiscal years 1968-69 to 1971-72, how much money was contracted to each of the five regions of Canada by the Department of Indian Affairs and Northern Development?

2. What was this in per capita terms for each region?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): The cost to answer to above question for the fiscal years 1968-69, 1969-70 and 1970-71 would be exorbitant. The manpower required is not available to research the files. However, we do have the figures for the fiscal year 1971-72.

1971-72 Region	1. Amount $	2. Per Capita $
Atlantic	2,481,390	1,206
Quebec	12,225,471	2,028
Ontario	4,710,798	612
Prairies	13,547,565	3,825
British Columbia	7,731,112	3,538
Northwest Territories and Yukon	2,044,344	38,573

FUNDS CONTRACTED TO FIVE REGIONS OF CANADA BY COMPUTER SERVICES BUREAU

Question No. 1,540—**Mr. McKenzie:**

1. In the fiscal years 1968-69 to 1971-72, how much money was contracted to each of the five regions of Canada by the Computer Services Bureau?

2. What was this in per capita terms for each region?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. and 2. The records of the Computer Services Bureau in 1968-69 were not kept in such a manner as to provide Regional Statistics.

		Atlantic	Quebec	Ontario	Prairie	British Columbia
1969-70	Total	$ 7,949	$113,084	$3,299,704	$103,285	$ 63,242
	Per capita	1¢	2¢	44¢	3¢	3¢
1970-71	Total	$ 8,162	$ 93,841	$3,884,184	$ 81,093	$ 73,585
	Per capita	1¢	2¢	51¢	2¢	3¢
1971-72	Total	$93,950	$179,613	$5,452,482	$185,450	$105,750
	Per capita	5¢	3¢	71¢	5¢	5¢

NATIONAL REVENUE—REBATE OF SALES TAX

Question No. 1,543—**Mr. McKenzie:**

Since the construction of new schools permits a school board to claim a rebate of federal sales taxes amounting to 2.95 per cent of the contract price, will the Minister of National Revenue give consideration to allowing the same rebate of sales taxes on the purchases of new materials and equipment used in the renovation of old schools in order to allow for the utilization of existing buildings?

Order Paper Questions

Hon. Robert Stanbury (Minister of National Revenue): Consideration has been given to this matter but in view of the fact that the Excise Tax Act provides for relief specifically in respect of materials used in the construction of school buildings, there is no authority whereby the scope of this provision in the Statute may be enlarged by administrative action in order to include materials used in the renovation or repair of school buildings.

NUMBER OF VISITORS TO CAPE BRETON HIGHLANDS NATIONAL PARK

Question No. 1,662—**Mr. Haliburton:**

1. How many visitors registered at the Cape Breton Highlands National Park during the summers of (a) 1970 (b) 1971 (c) 1972?

2. How many such visitors were from outside the Province of Nova Scotia?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The estimated attendance at Cape Breton Highlands National Park during the summers of 1970, 1971 and 1972 is shown below:

	1970	1971	1972
June	128,409	92,544	103,286
July	270,888	271,257	265,297
August	268,751	266,643	267,894
Total	668,048	630,444	636,477

2. Eighty-one per cent of the visitors to Cape Breton Highlands National Park were from outside the province of Nova Scotia in 1971. It is estimated that the proportion of visitors from outside the province would be approximately the same in 1970 and 1972.

VETERANS AFFAIRS—FULL-TIME EMPLOYEES

Question No. 1,665—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of Veterans Affairs?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of Veterans Affairs?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. David J. MacDonald (Minister of Veterans Affairs): 1. 10,271.

2. $16,000, 16. $17,000, 21. $18,000, 34. $19,000, 22. $20,000, 22. $21,000, 17. $22,000, 46. $23,000, 40. $24,000, 9. $25,000, 25. $26,000, 5. $27,000,11. $28,000, 1. $29,000, 2. $29,000-35,-000, 1. $31,000 nil. $32,000, nil. $33,000, nil. $34,000, nil. $35,000, nil.

3. 9,728.

4. $19,000, 14. $20,000, 16. $21,000, 23. $22,000, 28. $23,000, 39. $24,000, 17. $25,000, 24. $26,000, 19. $27,000, 21. $28,000, 24. $29,000, 20. $24,629 to 31,445, 9. $28,539 to 33,072, 7. $28,539 to 33,072, 10. $31,459 to 35,391, 3. $31,459 to 35,391, 1. $34,000 to 40,000, 1.

[Mr. McKenzie.]

DREE—FULL-TIME EMPLOYEES

Question No. 1,683—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of Regional Economic Expansion?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of Regional Economic Expansion?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. As of January 31, 1970 there were 1,316 full-time employees in the Department of Regional Economic Expansion.

2. $15,000, 17. $16,000, 20. $17,000, 21. $18,000, 17. $19,000, 15. $20,000, 11. $21,000, 9. $22,000, 12. $23,000, 12. $24,000, 2. $25,000, 3. $26,000, 1. $27,000, 1. $28,000 to $35,000, 2.

3. As of January 31, 1973 there were 1,653 full-time employees in the Department of Regional Economic Expansion.

4. $18,000, 27. $19,000, 37. $20,000, 56. $21,000, 44. $22,000, 26. $23,000, 35. $24,000, 12. $25,000, 10. $26,000, 21. $27,000, 8. $28,000 to $35,000, 15. $40,000 to $45,000, 1.

*INFORMATION CONCERNING DISAPPEARANCE OF AIRCRAFT EN ROUTE TO HANOI, OCTOBER 18, 1965

Question No. 1,658—**Mr. Diefenbaker:**

1. What information has the Department of External Affairs been able to secure concerning the disappearance of the aircraft operating under the auspices of ICSC which carried Mr. J. W. Douglas Turner, an External Affairs Officer, and two other Canadians on board en route to Hanoi on October 18, 1965?

2. Did the Minister of External Affairs, when in Hanoi, bring up this matter with the authorities in North Viet Nam, in Laos or South Viet Nam and, if so, what was he able to ascertain?

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): The Department of External Affairs has made repeated enquiries over the years to determine whether any information has come forward concerning the disappearance on October 18, 1965 of the ICSC aircraft with three Canadians on board. At the time of the disappearance of the aircraft extensive searches were undertaken. However, the aircraft was never found and the cause of its disappearance has never been ascertained. While in Hanoi, the Secretary of State for External Affairs raised this question with authorities of the Democratic Republic of Viet Nam and explained the circumstances, as far as they are known, of this incident. This enquiry was noted but it elicited no new information.

[*English*]

*DUTIES OF POLICE AND SECURITY PLANNING AND ANALYSIS GROUP, DEPARTMENT OF SOLICITOR GENERAL

Question No. 1,779—**Mr. Cossitt:**

1. What is a full and exact description of all duties and tasks performed by the Police and Security Planning and Analysis Group in the Department of the Solicitor General?

2. Has any person attached to, on loan to, employed by, or on behalf of, the Police and Security Planning and Analysis Group compiled information, dossiers or files of any kind on individuals serving as Members of Parliament since April 20, 1968 and, if so (a) for what reason were such files compiled (b) how many such files exist?

3. Has the Police and Security Planning and Analysis Group in the Department of the Solicitor General directly or indirectly undertaken or authorized any form of electronic snooping on individuals or groups of individuals since its creation?

4. Has the Police and Security Planning and Analysis Group in the Department of the Solicitor General furnished any information of any kind whatsoever at any time to any person attached to, on loan to, employed by, etc. the Office of the Prime Minister or to any other government department and, if so, how many times has this happened?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the answer to the question is: 1. The duties and tasks of the police and security planning and analysis group in the Department of the Solicitor General are: (a) to review and develop proposals for security policies in relation to the changing threat to Canadian security; (b) to review and analyze criminal activities, trends and developments which are of national interest and formulate proposals for government policy concerning crime and police procedures in relation to changing Canadian society; (c) to formulate proposals for general security policies and procedures concerning: (i) security of government buildings and installations, (ii) protection of specially designated personnel, (iii) security of classified information; (d) to receive, collate and evaluate data on the problems posed by subversion and criminal activities associated with social unrest; (e) to assist in the training of government security officers.

2. No.

3. No.

4. Since the police and security planning and analysis group is one of the principal agencies within the interdepartmental security structure, the exchange of information with security branches of other government departments and agencies is a continuous process.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

OLD AGE SECURITY PENSIONS

Question No. 6—**Mr. Knowles (Winnipeg North Centre):**

1. How many persons in Canada, and in each province, are in receipt of the Old Age Security pension?

2. Of the recipients of the Old Age Security pension, how many persons in Canada, and in each province, are in receipt of the Guaranteed Income Supplement?

3. Of those receiving the Guaranteed Income Supplement, how many persons in Canada, and in each province, are receiving the full amount?

4. What is the average amount, in Canada, and in each province, being received as a Guaranteed Income Supplement by recipients of the Old Age Security pension?

5. Do the answers to the above questions take into consideration persons living outside of Canada who are in receipt of the Old Age Security pension and, if so, how many of such persons are there, and if they are considered as belonging to the various provinces, what is the number for each province?

Return tabled.

DEPARTMENT OF LABOUR—PUBLICITY EXPENDITURES

Question No. 69—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Labour on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

2. What were the names and addresses of firms or individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

DREE, DIP AND PAIT GRANTS

Question No. 522—**Mr. Reynolds:**

What were the total amounts of DREE, DIP and PAIT grants in 1972 and (a) by province, what was the breakdown in dollars (b) by program, what was the breakdown in numbers of projects?

Return tabled.

HEALTH RESOURCES FUND

Question No. 653—**Mr. Holmes:**

1. As of December 31, 1972, how many projects have been approved for the Health Resources Fund?

2. For each project what was (a) the date of the approval (b) the name and address of each recipient (c) the purpose of each project (d) the amount of money approved?

Return tabled.

APPLICATIONS UNDER CANADA OIL AND GAS REGULATIONS

Question No. 1,392—**Mr. Hamilton (Qu'Appelle-Moose Mountain):**

Under the Canada Oil and Gas Regulations, have any applications been made for production leases and, if so (a) what are the names of the companies receiving leases (b) for each company, what was the arrangement for the government's share of the acreage?

Return tabled.

• (1420)

Mr. Cossitt: On a point of order, Mr. Speaker, the starred question answered by the Solicitor General was a question I placed on the order paper a week ago. I would refer the minister to part four of the answer. I do not believe he answered the question at all. It was a vague, general statement. I asked specifically whether information of this kind was sent to the Prime Minister's office.

Mr. Allmand: Mr. Speaker, I did answer that question. I said it is sent on a continuous basis when it is necessary to do so.

Mr. Cossitt: It was very vague.

Mr. Speaker: Order, please. The hon. member for Scarborough East.

Mr. Allmand: On that same point, Mr. Speaker, if the hon. member wants specific answers, let him put specific questions to me.

Mr. Cossitt: Mr. Speaker—

Mr. Speaker: Order, please. May we have order, please. There is a debate between the minister and the member on whether a question is specific and the extent to which it is specific. I do not think we should have debate on that point. The hon. member for Scarborough East.

Mr. Stackhouse: Mr. Speaker, on January 16 I asked a starred question which was specific but I cannot get any answer at all, specific or vague. It is No. 438. The information is well known to the government. There is no reason the government should not answer this question. It has made the appointments and it certainly ought to be willing to inform parliament.

Mr. Coates: Mr. Speaker, a week ago I rose on a question of privilege concerning a number of questions I had on the order paper that had been sitting on the order paper since the beginning of the session on January 4. The parliamentary secretary did attempt to facilitate the matter to some degree, and he answered two or three of them. Question No. 22 asks specifically:

—how many individuals who were defeated candidates in the federal election of October 30, 1972, have become employees of either the Prime Minister or cabinet ministers or how many have assumed a position with the government that is paid for from the federal treasury?

I realize that there may still be one or two defeated candidates who have not been employed by the government, but I would think that at this stage of the game the government could compile the names and provide me with the information. Of course, there may be two or three who are still feeling badly because they have not yet been looked after by the government.

Mr. Sharp: You fellows looked after Perry Ryan, all right.

Mr. Rose: Mr. Speaker, I wonder if I might inquire about questions Nos. 1,385 and 1,386 standing in my name since March 2. They deal with a very controversial matter in connection with income tax policy as applied to part-time farmers.

Mr. Stanbury: Mr. Speaker, I have asked about those questions and I hope to have the answers next Monday, if possible.

Mr. Rowland: Mr. Speaker, may I draw the parliamentary secretary's attention to question No. 276 standing in my name since January 12. It asks in effect whether there will be a reduction in the staff of Air Canada's finance department located in Winnipeg. While the answer may cause some embarrassment to the government, it should be fairly simple to reply to the question.

MOTIONS FOR PAPERS

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 41 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

[*Translation*]

Mr. Speaker: Subject to the reservations and conditions mentioned by the parliamentary secretary, does the House agree that notice of motion No. 41 be deemed to have been adopted?

Some hon. Members: Agreed.

[*English*]

CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND QUEBEC INVOLVING FAMILY INCOME SECURITY PROGRAM

Motion No. 41—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, telegrams, memoranda, and other documents between the Government of Canada and the Province of Quebec involving the Family Income Security Program (Bill C-170, 4th Session, 28th Parliament).

Motion agreed to.

Mr. Reid: Mr. Speaker, would you be so kind as to call notice of motion No. 159.

• (1430)

CORRESPONDENCE RELATED TO LIP No. M-1101 BY PEACE IN THIS HOUSE INC.

Motion No. 159—**Mr. Rowland:**

That an Order of the House do issue for copies of all documents, correspondence and memoranda related to the consideration of LIP No. M-1101 "OMNIBUS", submitted by Peace in this House Inc.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the papers requested are internal departmental memoranda and reflect on the personal competence or character of an individual. As such they are confidential and not of a public or official character. In view of this I would ask the hon. member to withdraw his motion.

Mr. Rowland: Transfer for debate.

Mr. Speaker: Transferred for debate.

Mr. Howard: Mr. Speaker, standing in my name since February 26 are notices of motions for the production of papers Nos. 161 to 185 inclusive asking for a copy of the time schedule established for individual pulp and paper

mills in British Columbia within which they must comply with the pulp and paper mill effluent regulations promulgated by the government. I wonder why there is this long delay in providing that information?

[*Translation*]

Mr. Speaker: Are the remaining notices of motions allowed to stand?

Some hon. Members: Agreed.

[*English*]

ORAL QUESTION PERIOD

ENERGY

NATIONAL POLICY—POSSIBILITY OF TABLING REPORTS BEFORE EASTER—PROVINCIAL INVOLVEMENT—RELATIONSHIP TO INDUSTRIAL STRATEGY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I would remind him that on January 16 he said that he would be "putting some reports on the table of the House with regard to a national energy policy". On January 10 he said it would be some time during the course of the spring that this would be done. I should like to ask whether he can assure the House that these reports with regard to a national energy policy will be tabled before the projected Easter recess or before he goes to China?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Mr. Speaker; we anticipate they will be available immediately after the recess.

Mr. Stanfield: With the request apparently coming forward now from a number of provinces for a national conference with regard to the formation or development of a national energy policy, I should like to ask the minister what the government's attitude is toward this request. Is the government disposed to have such a national policy involving the provinces or does the government intend to develop its own policy and announce it with such consultation with the provinces as it sees fit?

Mr. Macdonald (Rosedale): Mr. Speaker, as I indicated to the parliamentary committee about a month ago, the proposal of the government is to lay energy studies on the table and then by consultation both with the provinces and interested members of the general public we hope to develop a national consensus on the lines that energy policy changes should take. In this respect the comments made by Premier Davis in Calgary last night very much fit the plan we have been proposing. I would certainly be looking forward to his co-operation in due course. I think he was talking about an autumn timetable and that may fit very well.

Mr. Stanfield: Do I take it from the minister's reply that he is favourable to the sort of conference that Premier Davis was requesting? May I ask what his attitude is on the position taken by the Premier of Ontario that a national energy policy must be related, among other things, to a national industrial strategy? Can the minister give us any information as to when the government's national industrial strategy is to be announced?

Mr. Macdonald (Rosedale): Mr. Speaker, I think a national energy policy is really more pervasive in our community than a national industrial strategy. As I say, I am glad to have the support of Premier Davis in the timetable I had set out to the committee a month ago, and I will be glad to have his support in this regard.

Mr. Stanfield: I should like to ask the minister again, recognizing that a national energy policy is related to a national industrial strategy only among other things, as I put it—

Some hon. Members: Oh, oh,!

Mr. Turner (Ottawa-Carleton): Oh, now!

Mr. Stanfield: That is exactly as I put it before, Mr. Speaker. I think it is time the Minister of Finance started to listen to me a little more carefully.

Some hon. Members: Hear, hear!

Mr. Stanfield: I should like to ask the minister whether the national energy policy he is developing will be related, among other things, to an industrial strategy and when we may expect to learn what the government's national industrial strategy is?

Mr. Macdonald (Rosedale): Mr. Speaker, the answer to the first part of the question is yes. As to the second part, perhaps the hon. gentleman would like to refer to my colleague, the Minister of Industry, Trade and Commerce, for a timetable.

NATIONAL GAS—GOVERNMENT PROPOSALS TO PROTECT CANADIAN CONSUMERS AND INCREASE EXPORT PRICE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I put a supplementary question to the Minister of Energy, Mines and Resources. Since the request of Premier Davis for a federal-provincial conference on a national energy policy arises from the fact that Canadian consumers of natural gas are faced with the prospect of having an increase in price of 10 cents per thousand cubic feet, while at the same time we are exporting gas at prices that are resulting in a loss of at least $150 million per year to Canada, has the minister any proposals now to put before the House or between now and Easter, or any proposals that he intends to put before the suggested conference on how he intends to protect the Canadian gas consumer on the one hand while at the same time securing a fair and just price for our exported gas?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. gentleman knows, the chairman of the National Energy Board put out in very extensive detail the returns from the export price of gas and the initiatives that he and the board have been taking in the very recent past. Therefore I have to

take issue with the accuracy of the hon. gentleman's assumptions. I think we can expect with regard to the price of natural gas domestically that in the process of bargaining between the purchaser and the seller it is very likely that the price of this commodity will increase. The discussion of a national energy policy, however, will be related to the use of this and other commodities over the longer run. For that reason, of course, we would be planning on a federal-provincial conference, as the Premier of Ontario suggested some time during the autumn.

Mr. Douglas: In view of the fact the chairman of the National Energy Board admitted before a standing committee of the House that our export gas was underpriced and in view of the fact the Alberta energy board estimated that deficiency to be 10 to 20 cents per thousand cubic feet, has the minister issued any instructions to the National Energy Board to bring the price of export gas in line so that Canada will get a fair return for the gas it is exporting to the United States?

Mr. Macdonald (Rosedale): Mr. Speaker, I would point out to the hon. gentleman that the chairman made no such admission and the Alberta Energy Resources Conservation Board made no comment of that kind either. The figures he was referring to were the figures in the Stanford Research Institute Study which, of course, are a matter of some debate both within and outside the industry.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a supplementary and then, before continuing with supplementaries, including the hon. member for Qu'Appelle-Moose Mountain, the hon. member for Calgary North and others, I will recognize the hon. member for Richmond. For the moment, we will have the hon. member for Nanaimo-Cowichan-The Islands on his supplementary.

Mr. Douglas: In view of the fact that the Liberal party has been in government now for ten years—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Douglas: —and in view of the fact we have been waiting during that period for a national energy policy, may I ask the minister if he can assure the House that we will have a national energy policy before we run out of energy resources?

Mr. Macdonald (Rosedale): Mr. Speaker—

Mr. Speaker: Order, please. May we have order, please. The hon. member for Richmond.

* * *

[*Translation*]

AGRICULTURE

FEED GRAIN—ANNOUNCEMENT OF NEW POLICY—DISCUSSION WITH EASTERN FARM ORGANIZATIONS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask a question of the Minister of Agriculture.

[Mr. Macdonald (Rosedale).]

In view of his statement in the House around mid-February that he was drafting a new policy for the price of feed grain in eastern Canada, can he say if in fact something has been done in that connection? If so, when will this new policy be enunciated?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Speech from the Throne announced that it would be before the new crop year. We are working on this and hope to announce it even before that. This is a joint project with the minister in charge of the Wheat Board. We are doing a lot of work on it and are trying to come up with a policy that will be satisfactory to users of feed grains no matter where they are in Canada.

[*Translation*]

Mr. André Fortin (Lotbinière): I have a supplementary Mr. Speaker.

The Minister of Agriculture says that this new policy is worked out in co-operation with the Canadian Wheat Board. Can he tell us if it is also made in consultation with organizations in eastern Canada?

[*English*]

Mr. Whelan: Yes, of course, Mr. Speaker.

* * *

ENERGY

NATIONAL POLICY—SUGGESTED WITHHOLDING OF ANNOUNCEMENT UNTIL UNITED STATES INDICATES ITS POLICY

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. From his answers to the Leader of the Opposition I detected that he has considerable rapport on the planning of joint policy-making with the premiers of Ontario and Alberta. Did the premiers of Alberta and Ontario agree with the minister's position that Canada should not declare a national energy policy until the Americans have stated their policy?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have not specifically discussed this with the two premiers. I am glad, however, that Premier Davis has supported the position I take. May I just say to the hon. member for Nanaimo-Cowichan-The Islands that we have had a policy for ten years.

• (1440)

Some hon. Members: Oh, oh!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I will try again. What I am trying to get from the minister is a declaration of the government's intention not to announce Canadian energy policy until the Americans have stated theirs.

Mr. Macdonald (Rosedale): Mr. Speaker, I said to the hon. member in committee and I just said to his leader that it is not the intention of the federal government to announce a uniquely Canadian energy policy. We intend to put the studies before the public, before parliament and

before the provincial governments and by a process of consensus achieve this. I cannot be sure when President Nixon will have his policy ready, but I know we will be ready with our studies soon. After that, it will be a matter for the Canadian political process to decide what changes will be made in the energy policy we have had in this country since the Borden Commission.

PROPOSED MACKENZIE VALLEY OIL PIPELINE—REPRESENTATIONS TO UNITED STATES

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, may I direct a supplementary question to the Minister of Energy, Mines and Resources. On Thursday, March 22, and again on April 2, on the subject of a Mackenzie Valley oil pipeline to move Alaska crude oil to market and representations to the United States on this matter, the minister spoke of "measures taken just over a year ago by myself and repeated on a number of occasions since then to the American administration." On February 14 the minister said, in answer to a question by the hon. member for Calgary North on the same subject:

> Mr. Speaker, the "not so long ago" to which the hon. member refers was 11 months ago. The government has no intention of renewing its representations.

Will the minister say—

Mr. Speaker: Order, please. I suggest to the hon. member respectfully that perhaps his preamble is a little too long. Perhaps he might come to the question. I gather he was just reaching the question in any event.

Mr. Bawden: Will the minister say which of his answers was correct?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): They both were, Mr. Speaker. We repeated to the American administration the statement I made, which was tabled in the House in the last session. The hon. member, as a new member, might want to look it up. They were—

Mr. Speaker: Order, please. I hesitate to interrupt, but I think the supplementaries have developed to the point that we have entered on debate. Perhaps we might try another subject for a few moments.

* * *

FINANCE

FORECAST BUDGETARY BALANCE FOR CURRENT FISCAL YEAR

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. In view of the fact we now have for the first 11 months figures for expenditures and revenues showing that there is a surplus of over $1 billion for the first 11 months, are the Minister of Finance and the department still staying with their prediction that we will have a budgetary balance for the current fiscal year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I must once again remind the hon. gentleman, that to get the total cash position of the government, he will have to look at both the budgetary and non-budgetary figures. As hon. members are aware, there is usually a substantial increase in expenditures in the final month, and particularly in the 30-day period after the end of the fiscal year which is permitted for the final allocation. I would think that at that time the position would be known with a little more accuracy than it is now.

Mr. Baldwin: How is the unemployment insurance fund?

* * *

ROYAL CANADIAN MOUNTED POLICE

MISTREATMENT OF INDIANS AT GRAND RAPIDS, MANITOBA—DISCIPLINARY ACTION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I direct a question to the Solicitor General. Has his attention been drawn to complaints by Indians living in Grand Rapids, Manitoba, that they have been mistreated by RCMP officers and to the subsequent investigation of those complaints by the provincial ombudsman?

Hon. Warren Allmand (Solicitor General): Yes, Mr. Speaker. We have been made aware of this incident and disciplinary measures have been taken against the RCMP officers in question.

Mr. Orlikow: Did the disciplinary action taken against these RCMP officers consist essentially of transferring those who were guilty of misdemeanors to other positions in the province of Manitoba?

Mr. Allmand: Mr. Speaker, I will get that information and supply it to the hon. member. I do not have it now.

Mr. Orlikow: While the minister is looking into this question, would he give consideration to whether, if that was the disciplinary action, he considers it to be sufficient in light of the very serious nature of the charges?

* * *

FINANCE

REQUEST THAT MINISTER OBTAIN ASSURANCE FROM CHARTERED BANKS OF NO INCREASE IN INTEREST RATES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Finance. As the Royal Bank of Canada recently broke the interest rate ceiling set by the minister last June, and as increases in interest rates at this time will of course slow down the economy and make the provision of jobs more difficult, has the minister been in touch with the presidents of the Canadian chartered banks and has he received from those gentlemen an assurance that they have no intention of raising interest rates at this time?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have been in conversation with the Governor of the Bank of Canada who has the initial responsibility for

monetary policy and I am watching the current situation both from the domestic and the international point of view.

Mr. Hees: Of course, the minister made no attempt to answer my question. Has he received any assurance either from the presidents of the chartered banks or from the Governor of the Bank of Canada that interest rates will not be raised at this time? Yes or no? Come on, answer.

COLLECTING OF CERTAIN COINS BY AMERICANS FOR MELTING IN UNITED STATES BECAUSE OF SILVER CONTENT—GOVERNMENT ACTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, a couple of weeks ago I brought to the attention of the Minister of Finance a practice that has since been expanding—indeed, it has become a racket—whereby Americans come over here with machines, pick up Canadian silver coinage, take it to the United States and there make very large profits. What is the government going to do about this?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am grateful that the right hon. gentleman brought this to my attention two weeks ago. It is true that the price of silver has been rising, following the price of gold. There has been some impetus in the buying up of silver coin and exporting it in order to break it down. I have reviewed this matter carefully and when action is taken I will advise the right hon. gentleman of just what has been done.

Mr. Diefenbaker: While consideration is being given to this matter a group of Americans, particularly connected with trucking, are making a bonanza. I ask whether or not an order in council should not be passed, similar to the one brought in in 1970 which prevented this kind of thing taking place unless a permit was secured. That order in council was repealed in 1971. Will the minister not now do something about bringing in an order in council to prevent this racket continuing?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, of course the primary responsibility is to protect the currency here in Canada. As the right hon. gentleman knows, under the Currency Act there is only jurisdiction with respect to money being melted down within the country. He is also aware that since we are dealing with post-1968 currency, which was primarily in nickel, that to date this has not affected the amount of currency in circulation. I have looked into the precedent referred to by the right hon. gentleman and if action is taken it will be announced in due course.

* * *

TRANSPORT

TRAIN DERAILMENTS—REQUEST FOR SPECIAL COMMITTEE TO INVESTIGATE ACCIDENTS

Mr. Jack Ellis (Hastings): Mr. Speaker, my question is for the Minister of Transport. In light of my previous questions and in light of the fact that the Canadian Transport Commission report for 1972, just presented, states that there were 327 train derailments in 1972 compared with 271 in 1971, will the minister now appoint a special committee to investigate these accidents thoroughly?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is exactly what the commission is doing right now and I am expecting a report.

INQUIRY AS TO REPORT ON RAILWAY SAFETY

Mr. Charles H. Thomas (Moncton): Mr. Speaker, may I direct a supplementary to the Minister of Transport. On January 30, during a debate in the House on railway safety, the parliamentary secretary indicated that the report on railway safety was almost ready and would be available soon. Can the minister now tell us when this report on general railway safety will be ready?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the statement was quite accurate.

* * *

PUBLIC BUILDINGS

SUGGESTED DECENTRALIZATION OF FUTURE CONSTRUCTION TO AREAS OF HIGH UNEMPLOYMENT

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Prime Minister. Will the Prime Minister consider the development of a policy directing future government building expansion intended to accommodate viable national services to areas of Canada experiencing high unemployment, provided that such services can function efficiently?

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): I thank the hon. member for having given me notice of this question, and for his patience. For some time now the government has, as a matter of policy, sought new opportunities to decentralize national services and facilities with a view to making Canadians more conscious of the federal presence and with a view to improving the services and to offering employment. The location of certain operations, like the mint in Winnipeg, is an indication of this. There are some services which inevitably, for reasons of efficiency, must be located in the national capital, but I fully expect to continue decentralizing, as has been the practice, and I hope the constituency of the hon. member will not be forgotten.

* * *

AGRICULTURE

SUGGESTED PROVISION OF SUBSIDIES TO WOMEN TO ATTEND FARM MANAGEMENT COURSES

Mr. Elias Nesdoly (Meadow Lake): I have a question for the Minister of Agriculture, Mr. Speaker. Since rural men qualify for government subsidies while attending courses in farm management and rural farm women do not,

despite the fact that many of them are involved in farm management, has the minister given consideration to changing government policy so that rural women can be included under this program?

Some hon. Members: Hear, hear!

Hon. E. F. Whelan (Minister of Agriculture): This is the first time the matter has been brought to my attention. I will certainly investigate.

* * *

ROYAL CANADIAN MOUNTED POLICE

DEATH OF INDIAN AT FORT ALEXANDER RESERVE—REQUEST FOR INFORMATION

Mr. Jake Epp (Provencher): Mr. Speaker, my question is for the Solicitor General. In view of the unfortunate incident that occurred at the Fort Alexander Indian Reserve in Manitoba on Saturday, March 31, which resulted in the death of a young native resident of that reserve, may I ask whether the Solicitor General has received a report from the RCMP or from officials in his department in connection with the shooting incident?

Hon. Warren Allmand (Solicitor General): I have received a brief report but I do not have sufficient information at this time to answer the hon. member's question fully. I shall be pleased to do so as soon as I have received a full report.

* * *

HEALTH

INDEMNIFICATION OF VICTIMS OF THALIDOMIDE—MEASURES TAKEN BY DEPARTMENT

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of National Health and Welfare arising from recent discussions related to the tragic thalidomide problem. Has the hon. gentleman any information as to the progress being made which would relieve the great anxiety felt by the parents of the children concerned?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have indeed met recently with representatives of Richardson Merrell (Canada) Ltd., and I am at present writing to all parents of thalidomide children whose claims have not been settled and who do not at the moment have legal representation.

After my meeting with the company's representatives, I first recommended all parents find themselves a lawyer, and the company agreed to pay all legal costs that the parents incurred in Canada, in all cases where the claim was recognized as legitimate.

The company also agreed to let me know periodically of any information it might obtain about the victims. In all cases, the company will attempt to have the settlements approved by the chief justice of the highest court in the province concerned.

Moreover, the department and the company will be periodically exchanging any information that might help identify new cases of thalidomide victims. The company has also indicated its firm intention of reaching settlements in good faith with all parties concerned.

* * *

[*English*]

INDUSTRY

INDUSTRIAL DEVELOPMENT STRATEGY—INQUIRY AS TO STATEMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, following the suggestion of the Minister of Energy, Mines and Resources I should like to ask the Minister of Industry, Trade and Commerce whether he is developing a strategy of industrial development for Canada and when we may expect a statement in this regard?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have made a number of statements on the subject. The Speech from the Throne set out clearly that the government is committed to a coherent set of industrial policies for Canada. From time to time I have had occasion to outline some of these policies, as have the Minister of Finance and other ministers. The evolving position has, I think, been fairly clear with respect to the industrial strategy question. In addition to broad band industrial policies in support of Canadian industry, we will have a number of sector policies, or strategies for various industries.

Mr. Stanfield: Is it the intention of the minister to meet with the provinces to involve the provinces directly in the development of an industrial strategy for Canada? I have in mind a conference designed to promote such a strategy.

Mr. Gillespie: As I have made clear on earlier occasions—I am not sure that the Leader of the Opposition understands this distinction—

Some hon. Members: Oh, oh!

Mr. Gillespie: —we are not talking about one big blueprint which for all time will represent what might be described as an industrial strategy for Canada. We are talking about a set of coherent industrial policies for Canada—this is our position—and an industry by industry strategy. A very good example is the textile industry. There is quite clearly an industrial strategy for the textile industry.

Some hon. Members: Oh, oh!

Mr. Hees: One can just hear Paul Martin standing up and making a speech.

Mr. Speaker: Order, please. May we have order, please. I hope the minister is able to conclude his remarks as quickly as possible so that we may continue with the next question.

Mr. Gillespie: As to the second part of the hon. gentleman's question with respect to consultation with the prov-

inces, within the next ten days I shall be meeting with all the ministers of industry of the various provinces of Canada to discuss, among other things, this question.

Mr. David MacDonald (Egmont): The minister has told us there would not be one over-all blueprint but a series of blueprints. Will he be making a statement in the near future with respect to some of the specific proposals in terms of goals or bench marks in order that Canadian public opinion may have some means of measuring the success of these various policies?

Mr. Gillespie: I am not sure we shall be able to satisfy the hon. member with respect to the question of bench marks, but I hope to satisfy him and other hon. members with a plan which will clearly identify those industries that require a strategy for themselves. I have mentioned one. There is another at the present time—

Mr. Speaker: Order, please.

* * *

INDIAN AFFAIRS

OSOYOOS BAND—REQUEST THAT MINISTER REPLY TO LETTER CONCERNING APPEAL AGAINST ELECTIONS

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. An urgent appeal has been made to me by members of the Osoyoos Indian Band, British Columbia. I would ask the minister when he intends to answer the letter of December 21, 1972, in connection with the appeal lodged against the elections of December 14, 1972, the situation being that all band matters have been completely at a standstill since January 24, 1973?

Mr. Speaker: Order, please. I am not sure whether it is in order simply to ask a minister when he intends to reply to a letter. In any event, the minister may reply briefly.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I will have to check once more. I believe an inquiry is going on at the moment and that the matter is in the hands of the judge. But I will check further and inform the hon. member.

* * *

MANPOWER

ALLEGED ADVICE TO UNEMPLOYMENT INSURANCE APPLICANTS TO APPLY FOR JOBS DIRECTLY

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is to the Minister of Manpower and Immigration. Having regard to the policy followed by his department under which officials of the unemployment insurance claimants' assistance program work in close co-operation with Manpower in finding job placements for the unemployed, can the minister explain why applicants for unemployment insurance benefits in my constituency are being advised by unemployment insurance officials to apply for jobs directly to employers rather than through the Manpower office, and why Manpower is not consulted by U.I.C. in order to co-ordinate job placement opportunities?

[Mr. Gillespie.]

Hon. Robert K. Andras (Minister of Manpower and Immigration): I should like to see the specific details so that I can determine whether there is any irregularity, but the general practice is that in addition to being registered with Manpower claimants should also exercise their own initiative in seeking jobs and look anywhere they can.

* * *

• (1500)

[*Translation*]

COMMUNICATIONS

BELL CANADA RATE INCREASES—INQUIRY RESPECTING TRANSPORT COMMISSION DECISION

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to direct a question to the Minister of Communications.

Could he tell the House whether the Canadian Transport Commission must ask his advice or inform him before taking a decision?

Hon. Gérard Pelletier (Minister of Communications): The answer to that question is no, Mr. Speaker.

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

Mr. Speaker: Order. The hon. member's question is out of order and the minister answered too quickly. I point out to the hon. member that such a question is out of order. If he has another question to ask, I will recognize him for that purpose. He could perhaps try to ask an acceptable question.

Mr. Allard: Mr. Speaker, I had a supplementary question to ask the minister if he answered my first question. Indeed, what are we doing here? It is useless to discuss the rates if we are before an accomplished fact.

* * *

[*English*]

NATIONAL DEFENCE

CONGRATULATIONS ON 125th ANNIVERSARY OF 8th CANADIAN HUSSARS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of National Defence, of which I have given him notice. Does the minister agree that the 125th anniversary today of the 8th Canadian Hussars (Princess Louise's), the original New Brunswick regiment and the oldest serving unit in the Canadian Armed Forces, is worthy of note now or, if the Speaker so rules, at the time of adjournment?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker, I am very pleased to say to the hon. member for Fundy-Royal that I am aware that today is the 125th anniversary of this oldest serving Canadian regiment. I would be pleased to join him in expressing congratulations and best wishes to this famous Canadian regiment.

MANPOWER

REQUEST FOR STATEMENT OF POLICY ON WORK PERMITS FOR STUDENTS

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to address my question to the Minister of Manpower and Immigration. In view of the frustration and the great anxiety facing thousands of Canadian university students who have to obtain a work permit in order to work this summer, is the minister going to make an announcement in a few days to clear up this very difficult problem?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will be making some comment on the matter before the Standing Committee on Labour, Manpower and Immigration tomorrow afternoon, I believe.

Mr. Andrew Brewin (Greenwood): I have a supplementary question, Mr. Speaker. Perhaps my supplementary is in the form of a recommendation to the minister. Will the minister, in his statement, ensure that he makes it clear that students will be given an opportunity through work permits in the summer to carry on their education?

* * *

CANALS

TRENT SYSTEM—REQUEST FOR STATEMENT ON IMPLEMENTATION OF COURTS REPORT

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and deals with the joint study by his department and the government of the province of Ontario on the Trent canal system, known as the Courts report. When will the minister make a statement with respect to the implementation of this report?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not intend to deliver a statement to the House but I can tell the hon. member that we have continued discussions with the Ontario government and that this is a joint project because some parts of the canal system are provincial government property and others belong to the federal government. We are trying to unite our efforts to obtain the most concrete results possible.

* * *

[*English*]

AGRICULTURE

SUGGESTED CURTAILMENT OF IMPORTS OF BEEF CATTLE FROM UNITED STATES

Mr. William C. Frank (Middlesex): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. As a result of the minister's answer to a question from my colleague last Friday in the House to the effect that he was not aware that there were thousands of cattle being imported into Canada, and since it is now quite obvious that Canada, particularly Ontario, is receiving much heavier than normal imports, of United States beef on the hoof, do the minister and the government not consider the situation serious enough to curtail these imports by means of the powers invested in the government for such emergencies, namely, the legality of the unknown deposit of stilbestrol?

Mr. Speaker: That is a representation rather than a question. The hon. member has to assume that his representation is noted.

* * *

INDIANS AFFAIRS

REPORTED COURT DECISION GRANTING NATIVE BROTHERHOOD PERMISSION TO FILE CAVEAT ON MAJOR PORTION OF MACKENZIE VALLEY—GOVERNMENT POSITION

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development based on press reports of a decision of Mr. Justice Morrow of the Supreme Court of the Northwest Territories granting permission to file a caveat on behalf of the Native Brotherhood of the territories over a major portion of the whole of the Mackenzie valley. Does the government intend to take any action with respect to that decision, if it is reported accurately, and, if so, what action?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, in my opinion the hon. member did not quite understand the newspapers. The judge has taken the case under consideration and did not render any final decision. He has authorized the parties to prepare their case and a hearing will take place on May 15. As can be expected, I think the federal government and the territorial government will make representations as will the Indians.

[*English*]

Mr. Nielsen: I have one supplementary question, Mr. Speaker, with respect to the hearings that will be held before Mr. Justice Morrow. Is it the intention of the government to be represented at those hearings by counsel?

[*Translation*]

Mr. Chrétien: Mr. Speaker, no decision has been reached as yet but I should think so.

[*English*]

LAND USE PERMIT TO COMINCO AT WRIGLEY—CONSULTATION WITH NATIVE PEOPLE

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a supplementary question for the Minister of Indian Affairs and Northern Development. I wonder whether the minister would tell the House if the land use permit issued to Cominco at Wrigley in March was issued in consultation with the native people in that area?

Mr. Chrétien: What was the place again?

Miss MacDonald (Kingston and the Islands): I asked whether the land use permit issued to Cominco at Wrigley in March, which is the area that started this whole question of the restraining order, was issued in consultation with the native people in the area?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, as a rule, my department never fails to consult the Indian and Eskimo communities when there are developments and in this particular case, I shall inquire and report to the hon. member. Our policy has been always to consult the communities involved.

* * *

[*English*]

VETERANS AFFAIRS

REPORT OF JOINT STUDY GROUP ON BASIC RATE OF DISABILITY PENSION—INQUIRY AS TO IMPLEMENTATION BEFORE EASTER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Veterans Affairs and it relates to the report of the joint study group on the basic rate of the war disability pension, which was endorsed unanimously by the Standing Committee on Veterans Affairs. Can the minister say when the bill implementing this recommendation will be placed before parliament?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, this report has received some study by the government and it is coming back again on April 16. We planned on getting it there before that, but due to other matters that needed to be taken care of previous to that time we were not able to do so. As I say, it will be before the government again on April 16, and if I have the permission of the government I hope progress will be made on the report and that we will be able to proceed with the enactment of legislation.

Mr. Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker. In view of the likelihood that such a bill would receive quick passage by the House, will the minister make every effort to get it to us before Easter?

Mr. MacDonald (Cardigan): Yes, Mr. Speaker, I will make every effort to do that.

* * *

GRAIN

WHEAT—REQUEST FOR ASSURANCE SUPPLIES SUFFICIENT TO MEET DOMESTIC AND EXPORT REQUIREMENTS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is directed to the minister in charge of the Wheat Board. In view of the fact that a recent news release from the International Wheat Council indicates that wheat supplies throughout the world are becoming scarce, and in view of the fact that the United States and the Argentine are restricting exports of wheat, would the minister assure the House that Canada has sufficient supplies on hand to meet its export commitments and still retain a reasonable reserve for domestic purposes in the event of a reduced wheat crop in Canada this year?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I can assure the House easily about the availability of supplies to meet our export commitments. Indeed, I can tell the House that the Canadian Wheat Board is very carefully assessing not only our own future needs but the regular supplies which our very good customers count on receiving from us, and are planning their sales accordingly. The Canadian Wheat Board is continuing to make forward sales of wheat in view of the supplies we have on hand.

* * *

• (1510)

[*Translation*]

OFFICIAL LANGUAGES

PRESENTATION OF MEASURE RESPECTING BILINGUALISM

Mr. René Matte (Champlain): Mr. Speaker, I should like to direct a question to the Prime Minister.

On March 14 last, I put to him a question concerning the official languages and, on that occasion, the Prime Minister answered that he expected to be putting something on the order paper within two weeks at the latest, that would provide the House with information.

Is the Prime Minister in a position to say when he will enlighten the House on the nature of that something?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member will indeed see that it is something when it comes.

As concerns the date, I apologize to him and to the House for having been too optimistic about that date. I hope it is soon, but it will definitely not be within a few days.

* * *

[*English*]

INCOME TAX

LAND VALUATIONS—POSSIBILITY OF APPEAL

Mr. Dan Hollands (Pembina): Mr. Speaker, I should like to direct a question to the Minister of National Revenue concerning the land evaluation taking place in Canada for tax purposes. Will he inform the House whether the property owners whose properties have been appraised for tax purposes have been notified and, if so, is there an appeal procedure to handle these evaluations?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, the valuations that are taking place are for the purpose of future reference. They do not necessarily have any status in law at this point. Valuations from any source can be considered. This information is being gath-

ered to assist parties in the future determination of values.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to ask the minister a supplementary question. How can one appeal some five, six or ten years from now when that same assessment is put forward by the department?

Mr. Stanbury: That is not the assessment, Mr. Speaker. The assessment would take place at the time of disposition, and any owner is free to make that kind of valuation himself or obtain one.

* * *

FLOODS

HIGH WATER LEVELS OF GREAT LAKES—GOVERNMENT STUDY TO PROVIDE GREATER SAFEGUARDS AGAINST PROPERTY DAMAGE

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I have a question for the Minister of the Environment. In light of the information sent to him by a number of Ontario municipalities, including the borough of Scarborough, what plans has he or the government for initiating a study of the high water level situation in the Great Lakes with a view to gaining greater control of the water level in future, greater safeguards against property damage and greater protection for property owners in municipalities in the area? What type of study, if any, is being planned in consultation with other governments or on the part of the federal government alone?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, there have been very extensive studies under way, some of them for a number of years, in co-operation not only with the government of Ontario but with the United States and the governments of those states adjoining the Great Lakes.

* * *

ELECTIONS

INQUIRY AS TO INTRODUCTION OF LEGISLATION THIS SESSION RESPECTING CANDIDATE AND PARTY EXPENSES

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, my question is directed to the right hon. Prime Minister. In view of the strong possibility of an election in the not too distant future—

Some hon. Members: Hear, hear!

Mr. Nelson: —will the Prime Minister tell the House whether the government plans to introduce legislation to regulate election expenses of candidates and parties before the end of this session, as recommended by various commissions and a committee of this House?

An hon. Member: The coalition is crumbling.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure you would be the first to note that the premise to that question is hypothetical in character. Having said that, I can only remind the House that we did bring such legislation before the last parliament, but unfortunately it did not have the support of the parties opposite. We do intend to bring forward legislation on the same subject as soon as possible.

Mr. Speaker: Order, please. I believe the right hon. member for Prince Albert has a supplementary question, after which the Chair will call orders of the day.

DISTRIBUTION OF KITS TO ENUMERATORS—POSSIBILITY OF EARLY ELECTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should not like to leave this hypothetical question up in the air. I would ask the Prime Minister whether there is any significance in the fact that enumerators' kits are being sent out this week to all returning officers by the Chief Electoral Officer, bearing in mind the fact that in 1972 the same course was followed three months before the election?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, there is significance in that fact. It is related to the fact that the Chief Electoral Officer stated publicly a month or two ago, I believe, that an election would not be easily held until perhaps June because of the importance of getting a lot of material printed and distributed. He is now taking steps to make sure that an election will be possible and will not be held up for technical or constitutional reasons, if an election were deemed to be desirable.

Mr. Diefenbaker: Mr. Speaker, is the right hon. gentleman saying there are technical reasons why these kits should go out at this time, other than because of a contemplated election on his part?

Mr. Trudeau: Mr. Speaker, hon. members know that the mails are slow in this country.

Some hon. Members: Hear, hear!

Mr. Speaker: Orders of the day.

Mr. Reid: Mr. Speaker, I rise on a point of order. I should like to draw Your Honour's attention to Question No. 1,849, in 29 parts, appearing on the notice paper in the name of the hon. member for Yukon (Mr. Nielsen). I know it will not proceed to the order paper until Monday, but I want to enter a caveat at this time reserving my right to argue against the procedural admissibility of this question or some of its parts.

Mr. Howard: Mr. Speaker, I rise on a question of privilege relating to the slanderous statement first made in respect of the Postmaster General (Mr. Ouellet). I rise at this time to raise an objection on his behalf.

GOVERNMENT ORDERS

• (1520)

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed, from Tuesday, April 3, consideration of the motion of Mr. Gillespie that Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. There have been some discussions about the progress of this legislation. To help push the government into getting some legislation through before that hypothetical event takes place, and in order that we can get the income tax bill before us as soon as possible so we can redress the many inequities it contains, it is suggested that we might agree to an order of the House that all questions needed to be put to have second reading should be put before six o'clock tonight, and that speeches be limited to 15 minutes.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think this suggestion should be processed through the usual channels.

An hon. Member: In other words, you disagree.

Mr. Speaker: As I understand it, the suggestion by the hon. member for Winnipeg North Centre (Mr. Knowles) is that there should be further discussion among party representatives. If that is the case, we will proceed for the moment by recognizing the hon. member for Athabasca (Mr. Yewchuk).

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, when I began my remarks prior to the adjournment last night, I suggested this bill was not one which came to grips with the problem of regaining Canadian control of our economy. I said it was not the kind of clearcut measure the Canadian public expects from this government. It does not take into account regional differences. It does not provide for sufficient consultation with the provinces. In fact, it is essentially the same piece of legislation which was presented to parliament about a year ago. At that time the NDP opposed the bill. Now, they say they will support it and suggest it is an example of the kind of good which flows from that party holding the balance of power in the House of Commons. At the same time their leader condemned the government, the Liberals in general, and the Conservatives as being in favour of the same things in so far as our economic policies are concerned.

I pointed out also that, in spite of that statement, the Leader of the NDP supported the government on its economic policies on the Vote at the conclusion of the budget debate. Because the members of the NDP talk one way and vote another, it has been difficult for us as well as for anybody else to know exactly where they stand on any particular issue. I said that this bill was negative and that its intent was based on restriction and suppression. Our policy is the opposite. It is based on the positive approach of encouraging something to happen rather than preventing something happening. We feel the desired goal can be achieved by encouraging something better to happen than is happening right now.

A policy on foreign ownership which proposes to lead to Canadian control of our economy must be tied in with the country's total economic strategy. Conversely, the total economic strategy must be developed in such a way that greater encouragement is offered to Canadian participation than to foreign participation in respect of the development of Canadian resources. This, of course, must be done in close consultation with all the provinces and territories to ensure that central policies are not in conflict with the needs and plans of the various regions of the country.

When I spoke yesterday, the hon. member for Saskatoon-Biggar (Mr. Gleave) wanted to know what our policies are. He has fallen asleep again in the usual way. However, I want to outline roughly what I have been suggesting the policies should be. First of all, we must immediately implement a full employment policy aimed at rapid expansion of the Canadian economy by taking measures which our spokesmen outlined during the budget debate and on subsequent occasions. We must make changes in the tax laws of a nature which would encourage Canadian entrepreneurship, Canadian enterprises and Canadian investment, again as we outlined during the last campaign and during the budget debate. Contrary to the policy of the NDP as stated by the hon. member for York South (Mr. Lewis), who would apparently remove from the Canadian scene the principle of private ownership, I think we should encourage the small private entrepreneur to develop to his full capacity. We must take steps to encourage labour intensive industrial development to satisfy the Canadian need for jobs as well as to balance our economic policy, the primary objective of which in the past has been the exploitation of natural resources. Research and development in Canada must be encouraged and undertaken in order to ensure a rapidly developing and expanding economy for Canadians. On Canadian terms, methods must be found to ensure that more and more manufacturing and processing type industrial development is carried on in Canada to increase the emphasis on the export of finished products as opposed to the present emphasis on the export of raw materials. As I see it, Canada's future development is embodied in a national development strategy designed to achieve these goals.

I was disappointed by the statement of the Minister of Industry, Trade and Commerce (Mr. Gillespie) today when he intimated the government had no industrial development strategy and that its approach was one of a piecemeal nature dealing with emergencies as they occurred in one particular sector of the economy. I do not think that is good enough. I think Canadians expect something a little better than that. In many ways, because of

the approach of the present government during the past decade, we have been losing not only from the point of view of the export of raw materials but also because by this action we export jobs. The people of other countries take our raw materials, develop them into finished products and export those finished products back to us. This means that those countries are using our resources to create jobs for their people, while our people need the jobs.

Second, these countries profit from the sale of the finished product to us and again Canada loses because we should have the profit from the sale of the finished product. There must be more flexibility in our financial institutions as well, in order to provide more venture capital from existing Canadian resources. In cases where foreign capital is encouraged to come in, steps should be taken to ensure that it comes in the form of debt capital rather than equity capital, which has been the method by which it has been coming. We must also make a massive effort to increase, and perhaps acquire, control of some of the major foreign companies which are functioning within our borders. Furthermore, we must take some steps in the area of labour unions to ensure that these are Canadian controlled and operated. Canadian labour leaders have admitted that their long term interest would be best served by getting more autonomy and control over their own affairs.

I was somewhat surprised to find that the hon. member for York South, and so far as I know all the members of his party, failed completely to make any reference to this aspect of Canadian economic nationalism. I think Canadian unionists are becoming increasingly resentful of being treated as a branch plant operation by remote and insensitive union leaders. The growing national sentiment in Canada within the labour movement must be used to Canadian advantage, and guided by responsible and experienced men within the movement in such a way that union decisions, union activities and union influence would be working in the interest of Canadians. I see this as equally important if not more so than the insistence on having corporations acting as good corporate citizens.

To sum up, the Progressive Conservative party recognizes the urgent need for increased Canadian participation in our economy. We propose policies which will ensure the development of Canada by and for Canadians. We believe that any effective approach in this country toward increasing Canadian participation and ownership in the economy must be a joint federal-provincial effort involving the closest consultation and co-operation with the provinces. We must ensure that any policies designed to monitor or regulate foreign investment in our country will be designed in such a way as to strengthen Canadian unity, which makes it all the more important that we have provincial involvement.

Bill C-132, which is merely a restriction of foreign takeovers, certainly does not ensure the survival, let alone the expansion, of Canadian companies faced with serious competition from industrial giants of other countries and their subsidiaries within our borders. We must be prepared to take positive measures designed to enable Canadians to participate in the development of Canadian enterprises, and we must take measures designed to encourage these enterprises to thrive. In this way we can meet our own aspirations for control of the economy and at the same time create jobs that are needed in this country. However, stress must be placed on the encouragement of Canadian enterprises rather than simply on the suppression of the foreign enterprises. Based on a theory that the Canadian economy can and will grow rapidly, if a majority of that growth is produced by Canadian-owned enterprises, then in due course Canada will regain control of its economy with minimal damage to the standard of living as the process takes place. It seems to me a set of guidelines must be established, and that a long-term plan must be implemented to achieve these goals. While Bill C-132 may, in the long run, be useful in some ways, something much more bold and daring is required at this time.

• (1530)

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I take pleasure in being able to speak on Bill C-132 which relates to foreign ownership. I find it rather ironic, if not pathetic, that in our national anthem "O Canada" no less than five times do we repeat the phrase "we stand on guard for thee", yet when we look at the present state of economic affairs in this country we find that it is indeed a sad one. I hope it is not prophetic that the composer of "O Canada" eventually gave up on this country and went to the United States where he became an American citizen.

I should like in my speech to review the causes of the situation that we now see before us, the fact that Canada's economy is owned to such a large extent by foreigners. I should like also to look at the state of foreign ownership in this country and then to examine the bill and our party's opinion of it.

If we look at Canadian history and the origins of this country, the first thing that must impress us is that Canada does not make sense as a geographical entity. The lines of communication on this continent run north and south, and to divide the continent by the 49th parallel to form a country runs contrary to this logic. We in Canada have felt this north-south pull to the extent that much of our trade, culture and economy is tied with our neighbour to the south. When we look also at the history of the development of this country, we see that its origins were founded on pessimism rather than optimism. There were more regional loyalties than there was loyalty to a national entity, and this country had to struggle not only against internal disunion but also the threat of American absorption through the famous policy of manifest destiny.

Another characteristic of this country in its early days was an inferiority complex which was bred out of living in the shadow of our giant neighbour to the south. This inferiority complex has all too often been a characteristic of not only Canadians in general but of Canadian businessmen and Canadian investors. We have all too often sat back and let Americans and other foreigners invest in this country to the extent that they now control much of our economy.

When we look at the history of Canada, we must look at the history of the Liberal and Conservative governments and their attitudes toward foreign ownership. I should like to review for the House some examples of these

attitudes at both the provincial and federal levels so that we may put this whole issue into context. I will use as an example the Liberal government in Saskatchewan under the premiership of Mr. Thatcher in 1971. I do not think you could find a more dedicated free enterpriser anywhere in Canada. Let us just see what this provincial government--and there are many examples—tried to do in 1971.

In 1971 there was a project to develop a $177 million pulp mill at Dore Lake. The mill was to be built and mostly owned by Parsons and Whittemore Incorporated of New York. Remember, this is an American company. What would result, unfortunately would be more competition for Canadian industry in this precarious pulp and paper market. Here is how the capital cost of $177 million was financed. This is typical of so many Progressive Conservative and Liberal governments throughout history. We find that $141.7 million of this capital cost was to come from or be guaranteed by the Canadian public, and this is broken down as follows. The American company was to receive $107 million as a provincial guaranteed loan, $12 million as a federal grant, $7.2 million as equity investment by Saskatchewan, and $19.1 million from Saskatchewan as road grants, part or half the contingency plans, an equipment loan and other credits. Of the $145.3 million the province was to get back only $3.6 million as a guaranteed fee.

What did the American partner in this venture, Parsons and Whittemore, put up as part of the required $177 million? They put $16.8 million into equity investment, $3 million as its half of the contingency loan fund, for a total of $19.8 million. The U.S. Export Import Bank guaranteed equipment financing by a loan of $12 million. So the company then put up 11 per cent of the total investment. What did it get in return? It got 70 per cent ownership of the mill through share equity, that is 70 per cent of profits, whereas the provincial government under the Liberal premiership of Mr. Thatcher was to get only 30 per cent of ownership. The company got another $12 million in contract fees for building the mill. It got about $2 million as an annual commission on sales.

The profit on sales of machinery from this wholly owned subsidiary was also in the hands of the company. The company got exclusive timber rights on 23,000 square miles of Saskatchewan, which is twice the size of Belgium, and had in effect a monopoly on all the pulp within the province. It was the province, not the company, which was to be responsible for replacing slashed timber. The company would pay only 25 cents per cord for reseeding and, in addition, the mill would consume 56 million gallons of water from the Dore and Beaver rivers with very little anti-pollution control.

So here, then, is the rationale of the Thatcher give away, or the attempted give away. He said since it was necessary to create jobs it was all right to give all this financial advantage to a foreign corporation. The premier claimed that 1,200 jobs would be created during construction and 1,600 during the operation of the mill. However, the truth was, as it was discovered later by the vice president, there would be 450 jobs in the mill and about 800 in the woods, which works out to a grand total of $157,333 for each job created. Fortunately, the people of Saskatchewan came to their senses, elected an NDP government, and the whole deal was scrapped.

I could give other examples of the Conservative government in Manitoba under Premier Roblin and the great The Pas pulp and paper deal which was equally disastrous, or Joey Smallwood in Newfoundland and the Come-By-Chance refinery. What I am trying to show is that many provincial governments under Conservative and Liberal leadership contributed to the sell-out of Canada's economy.

What has the federal government done with regard to foreign ownership? The Liberals, I am afraid, have been continentalists from the time of Laurier. Foreign investment was welcomed, especially after World War II, with the encouragement of C.D. Howe. What has been the result of this Liberal government in action? Today, the percentage of foreign ownership in Canada, is as follows, and indeed it is a frightening list. In the printing and publishing industry, 20.4 per cent is foreign owned. In the wood industries, 42.6 per cent is foreign owned. In the mining industries, 60 per cent is foreign owned; mineral fuels, 82.5 per cent; machinery, 73.2 per cent; transportation equipment, 86.4 per cent; rubber products, 92.7 per cent, and petroleum refining, 99.9 per cent. Some 59 per cent of the total manufacturing capability in this country is foreign owned. On the average, approximately 80 per cent of foreign-owned industry in Canada is under American control.

• (1540)

Figures issued by the Dominion Bureau of Statistics in 1969 show that foreign investment in this country totalled over $46 billion. When we examine the assets of corporations, the frightening finding is that corporations with $5 million in assets are 29 per cent foreign controlled, those with $5 million to $25 million in assets are 50 per cent foreign controlled, and those with over $25 million in assets are 54 per cent foreign owned. The statistics in themselves are frightening, but what are the implications? Foreign domination in this country means mostly American domination. Let us not kid ourselves. The Americans are not here out of the goodness of their hearts. They want our resources and they want profits from Canada, and they are going to place United States interests before Canadian interests. Mr. Speaker, I would like to give you some examples of how foreign interests take precedence over Canadian interests.

First of all, American corporations or subsidiaries in Canada have to obey the provisions of the United States Trading with the Enemy Act. As a result, there have been numerous instances where subsidiaries in Canada wanted to sell products to foreign countries but were barred from doing so, not by Canadian law but by American law. I can think of our flour mills being prohibited from selling flour to Cuba and of truck and fertilizer plants being prohibited from selling their products to China. In these instances we have a foreign government interfering in our economy. Second, United States anti-trust legislation also applied to American subsidiaries in Canada. We can document at least 20 cases in Canada's history where the U.S. regulations on company merging policy have taken precedence over Canadian government policy, or irrespective of

Canadian government policy. An instance is the refrigerator market in Canada.

Our refrigerator market is approximately 400,000 units per year. This demand could be efficiently supplied by two companies but we have nine in Canada, seven of them being U.S. branch plants. What would be best for Canada would be to combine these refrigerator companies, thus bringing down the price through a rationalization of the industry and through more efficient competition. But because of U.S. anti-trust legislation, Canada cannot do this for the benefit of its consumers.

Moreover, U.S. policy can affect the Canadian money market. In 1963, 1965 And 1968 the United States government demanded that American subsidiaries in Canada return capital to the United States. This upset our whole money market. Indeed, the President of the Royal Bank of Canada was prompted to say:

Our own monetary authorities appeared to be attached to a string . . . the business end of which is held in Washington.

There is a fourth way in which foreign domination is detrimental to the Canadian economy. United States companies in Canada buy the majority of the component parts they require for manufacturing from their parent companies in the United States, which in turn means more jobs for Americans. Some 70 per cent of company imports in Canada come from the parent companies in the United States. American subsidiaries in Canada do not compete vigorously for foreign markets because this would be competing with the U.S. parent companies. Indeed, 82 per cent of the production of subsidiaries in Canada is sold in this country.

The fifth way in which foreign control is detrimental is that it results in our having a branch plant economy. This means that research and development are done in the United States rather than in Canada. As a result, we are exporting our scientists, engineers and technologists, and many of the bright young people graduating from our universities. They are going to the United States where the research is done. In 1951, 11 per cent of Canadian engineers and scientists left for the United States. In 1956, this figure had risen to 46 per cent. The science and engineering work force in Canada is growing at a rate of 9 per cent annually, the highest of all the occupations, and in 1970, 882 Canadian engineers and scientists moved to the United States. We all know how hard pressed the remainder are to try to find jobs here in Canada.

The Department of Industry, Trade and Commerce reported in 1970 that foreign-owned firms were spending little or nothing on scientific research and development in Canada. Despite the fact that sales had risen 35 per cent, research spending here rose only 18 per cent, the average expenditure being $325,000, a sum considered trivial for the size of the firms investigated by the department. For example, in the rubber and plastic industries in 1967, $6.06 per $1,000 of sales was spent on research in Canada while in the United States this figure was $11.33 per $1,000 in sales. As a result, we have a lack of jobs in Canada for university graduates, and Canadian subsidiaries get new technology later than their parent firms, which weakens Canada's position in world markets.

Moreover, a foreign-controlled economy means that the decision to expand or close branch plants is made in the United States by American companies to benefit American workers. When the American economy slows down the first lay-offs will take place in the branch plants in Canada. There are many examples to document this statement. One could think of Dunlop Tire in 1970. There is the infamous example of the U.S. company, Selkirk-Metalbestos, which made a decision in 1968 to take an Ontario Development Corporation grant of $77,000, supposedly to create jobs by expanding a plant in Brockville. However, the company then bought another firm in Hamilton, closed it down and moved that operation to Brockville. The result was that in Hamilton 50 workers lost jobs, and in Brockville ten new jobs were created, but at lower wages than had been paid in Hamilton. In light of this evidence, how can it be argued that foreign subsidiaries work primarily for the benefit of Canadians? The decision making in our economic sphere rests with foreigners who place their interests above ours.

Why on earth have Canadians accepted this state of affairs? Many myths have been propagated about our economy, and I would like to examine a few of them. We have grown up under the myth of the necessity for foreign investment and the necessity for subsidiaries in Canada. We are told, for example, that Canada is 30 per cent less efficient than the United States in most secondary industries. This is a fact. We are told the reason we are less efficient is that we have a small population, we have to ship products a greater distance, we have a poor climate, our workers do not work as hard and our managers are not as skilled. But the facts belie this. A population of 21 million is not small. It is three times the size of the population of Sweden which is more prosperous than we are. Sweden has a less favourable climate than we, less favourable geography and agriculture, yet it is prosperous. Most of our industry is in southern Ontario where geography and climate are equivalent to the United States industrial heartland, and our workers are as good or better than American workers in productivity. Just talk to any automotive assembly line worker about that. The real reason that we are less efficient is duplication, and the inefficiency of our branch plant economy.

• (1550)

Another myth that has been propagated is that Canadians do not have the capital and must seek foreign investment. This may have been true in the past, but it certainly is not true now. From 1961 to 1967, over 60 per cent of the capital financing of foreign firms in this country was raised right here in Canada from Canadian sources. Indeed, in 1970, American subsidiaries raised 94 per cent of the capital needed for expansion and for buying up Canadian companies right here in Canada from Canadian banks and investment companies. We are the only country in the world that is financing its own sell-out. Foreign investment is not the blessing it is purported to be. From 1960 to 1967, American subsidiaries sent to the United States $1.8 billion more in profits than they received in capital inflow. Who benefits from this investment? Surely not the Canadian economy.

There is also this other myth that foreign owned corporations are contributing to the Canadian economy through the taxes that they have to pay. Mr. Speaker, 38 per cent of the manufacturing industry in this country did

not pay federal income taxes in 1969, which is the last year for which we have figures. Also, 79 per cent of mining, oil and gas wells did not pay income tax. Resource industries are overwhelmingly foreign owned and they have many ways of getting these tax deductions through capital cost allowances, depletion allowances, mine income exemptions, amortization and debt interest charges.

In my research, I discovered a more interesting revelation which I do not think has been brought out before, even in the last federal election campaign. I have discovered that the bigger the corporation the less income tax is paid. In 1969, income taxes actually paid by corporations approximated 50 per cent of taxable income. Do not forget that taxable income means the pittance that usually remains after all the loopholes have been taken out. The total amount of income tax paid amounted to $2.7 billion which, in turn, represents only 36 per cent of book profits. But this 36 per cent is only an average. The big companies, those with assets of more than $5 million, pay well below this average, only 28 per cent. Obviously bigness pays—but not income tax.

Manufacturing companies pay at an average income tax rate of 39 per cent, with the big ones paying 36 per cent. Within the manufacturing industry, the highest rates of income tax for both small and big corporations is, interestingly enough, in the printing and publishing industry, 49 per cent, and lowest in the petroleum and coal products group, 14 per cent. Do not forget which sector is Canadian controlled and which is foreign controlled. The mining industry, oil and gas wells pay little income tax, as we already know, and again the big ones pay less, an average rate of 10 per cent, while the little ones pay an average of 21 per cent. Mineral fuels pay an average tax rate of 7.6 per cent, and metal mining 10.1 per cent. In the latter group, the small companies average 22.1 per cent and the big ones 9.9 per cent on their book profits.

If you remember what I said earlier, that large corporations are mainly foreign controlled, you now know that they pay income tax at much lower rates than small companies, which happen to be mainly in Canadian hands. We have been more than hospitable to the man who came to dinner. He has gorged himself at our table and pocketed the silverware. What we see is that "big" means less income tax and big companies mean foreign companies. The results of Liberal and Conservative governments welcoming foreign investment without proper control as every other sensible nation in the western world has done are evident. Our Canadian controlled economy is fast reaching a point of impossibility; the number of foreign takeovers of Canadian companies is alarming. In 1959, nine companies were taken over by foreigners; in 1960, it was 93 and in 1970, it was 163. Over the last three years, it has been averaging 170 per year.

The federal government also aids in this takeover by giving grants to foreign firms. Of the grants given by the Department of Regional Economic Expansion, over 50 per cent went to foreign-controlled corporations in Canada. Indeed, I believe this is one of the reasons Mr. Kierans resigned from Cabinet. He relates the case of the Canadian communications industry which was 85 per cent Canadian owned. What did the Liberal government do? It gave a DREE grant of $22 million to a United States firm called Control Data to set up a plant in Quebec City, and it gave $6 million to the American giant IBM for a plant at Drummondville, Quebec. As Mr. Kierans says, "We create a few temporary jobs and destroy a whole Canadian industry".

We find, Mr. Speaker, that Canada is losing more capital than she imports, that exporting our resources means exporting our jobs to the places at which the resources are manufactured and refined, namely, the United States. As a result, areas like my own, northern Ontario, have chronic unemployment. We see that the Canadian consumer pays more for products because of the inefficiency of the branch plant economy. We lose our brightest minds as our scientists emigrate to the United States to take up research and development positions. Decisions to close down plants and decisions on the priorities for development and expansion are taken in boardrooms in the United States where their interests are placed before our interests. We see, Mr. Speaker, that foreign corporations are paying less income tax than Canadian corporations.

This whole problem of foreign ownership has accelerated in the past decade. The warnings were there. Our party spoke out against this trend but we were ignored. We were ignored by Conservative and Liberal governments and the Liberal government cannot plead ignorance. They had the Royal Commission Report, the Watkins Report, that voice crying in the wilderness, Walter Gordon, the former minister of finance, the Wahn Report in 1970 and the Gray Report in 1971, but they chose to ignore the alarming facts on foreign ownership brought out in these reports. Now, with a minority government the Liberal government of today has responded to public concern and brought forth Bill C-132 and it is this to which I should like to turn my attention.

This new bill covers takeovers of Canadian business; it covers new investment and expansion of foreign corporations into unrelated areas in Canada. The commission to screen foreign takeovers of Canadian companies has the power to block certain takeovers in the interests of Canada. Yet this provision would only affect between 12 per cent and 15 per cent of new foreign investment in one year. What remains outside the screening process is the expansion of foreign-owned subsidiaries in Canada operating in their own or related fields, and this represents about 80 per cent of the growth in foreign control.

• (1600)

My party believes that this bill is a step in the right direction, but we should like to see a number of amendments introduced to strengthen the bill. In particular, we should like to see a provision under which the screening agency would review the expansion of businesses operating in similar or related areas of production. We should like to see a screening of imported parts and components, to determine whether alternative sources of supply exist or can be developed in Canada at competitive prices. We want to see a screening of raw material exports, to determine whether further processing in Canada would be possible prior to export. Also, we want to screen any existing export restrictions imposed either by agreement or as a result of practices that prevent the expansion of export markets. I alluded to this earlier. We want to pro-

hibit new equity investment that would put effective control in foreign hands of all areas involving mineral resources, energy, power and water. Those are a few of the many amendments we should like to see introduced. Other members of my party will elaborate on this theme.

This problem in Canada has been accelerating during the past few years, and neither Liberal nor Conservative governments have been able to arrest the sell-out of our economy. One wonders, as one looks at the political donations of corporations, whether there is not some link that is significant here, because non-Canadian corporations contributed 29 per cent of all donations to the Liberal and Conservative parties of this country.

In conclusion, Mr. Speaker, I submit the bill is a significant step in the right direction. However, it needs strengthening. We must press hard to stop the sell-out of the Canadian economy. There is one problem that this bill does nothing to solve, the repatriation of the Canadian economy. We must begin thinking about buying back the economy. To do that, we shall need a strong Canadian development corporation that has public funds, and that will engage on a program to encourage the repatriation of our economy. We need to utilize some of the $5 billion or $6 billion in foreign exchange reserves that this country has for buying back Canadian industry from foreign control. The time has come for the government, businessmen and people of this country to throw off their inferiority complex, to use their talents and the wealth of Canada in order to repatriate the economy for the advantage of all Canadians. Only with determined government leadership will the words of our national anthem become a reality. Only then will we be the true north, strong and free.

Mr. Bell: On a point of order, Mr. Speaker; there was agreement earlier that we should end this debate at six o'clock, but we could not get definite agreement on the length of speeches. Through the usual channels, agreement has been reached to the effect that the remaining speeches should not be longer than 15 minutes, beginning right now. If at five o'clock there are still some who want to speak, we might voluntarily reduce the length of time for the last few speeches to somewhat less than 15 minutes.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member for Saint John-Lancaster (Mr. Bell) is quite correct. There have now been discussions through the usual channels regarding this matter. We are prepared to agree with the arrangement suggested, which includes the question on second reading of this bill being put not later than six o'clock this evening. While I am on my feet, may I say that we shall have only one further speaker today, the hon. member for New Westminster (Mr. Leggatt).

Mr. Gillespie: Mr. Speaker, on the same point of order, this is agreed to on my side of the House. I would hope that the other parties would agree that I might be allowed ten minutes, perhaps, not any more, to wind up the second reading debate.

The Acting Speaker (Mr. Boulanger): Is the hon. member for Joliette rising on the same point of order?

[*Translation*]

Mr. La Salle: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Boulanger): The hon. member for Joliette, on a point of order.

Mr. La Salle: Mr. Speaker, I have already informed the government House leader that provided I have time to express some opinions in the House this afternoon, I shall agree to the arrangement that we end the debate at six o'clock. Otherwise, unfortunately, I could not give my consent.

The Acting Speaker (Mr. Boulanger): The hon. member assumes that the Chair should recognize him without delay. Such terms are hardly acceptable.

Mr. La Salle: Mr. Speaker, I do not know. I am referring to the right or privilege that each hon. member enjoys in the House. If possible, I should like to way a few words, and then I shall consent to the second reading of this bill this afternoon.

The Acting Speaker (Mr. Boulanger): Perhaps the hon. member is right in assuming this: the Chair was probably about to decide to recognize him in a few minutes. Does the House agree?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): Agreed. Is the hon. member for Champlain (Mr. Matte) rising on a point of order?

Mr. René Matte (Champlain): No, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): I recognize the hon. member for Joliette.

Mr. La Salle: I thank you, Mr. Speaker, for paying perhaps not special but fair attention to the independent member of this House. I shall certainly not waste the time of the House by making a long speech, but I do have a few remarks to make about this bill which strikes me as extremely important.

I should like, Mr. Speaker, to express a few opinions which may not be different from all those I have heard. I am pleased to note that up till now the speeches have been very positive, very objective.

The purpose of the bill before us is certainly excellent. However, bills rarely achieve their objectives. Still, in view of the opinions I have heard, I can say that the debate is objective; this, to my mind, is absolutely necessary for the proper management of the country.

• (1610)

Bill C-132 relates to the control of our economy. This is all tied in with economic nationalism.

I think it is important to quote some statistics as many others did before. Naturally, everybody is tempted to accuse the present or past governments of being responsible for the exodus in our economy or the foreign takeovers of our industry and our economy in general.

There are reasons for this and previous governments certainly made mistakes in spite of all the good they did, which resulted in Canadians are not owning as they would like the largest part of our economy, especially our industry.

I would like to outline the particular care we should bring regarding economic nationalism and I would urge the government to increase its endeavours to promote nationalism among Canadians. I consider it of utmost importance. Of course nationalism requires a certain self-respect.

Do we not all limit ourselves to speech-making instead of getting involved, from a sense of national pride? And I think we should by all means recall that pride we, as Canadians, should have about that bill and its impact on our economy.

Of course, the present government has established, hardly two years ago I think, the Canada development Corporation which was a means for Canadians to keep control over their industries. I believe that most hon. members supported the bill. I was among them and I am very happy to see that this agency is to ensure retaining certain industries in Canadian hands.

Was that enough? Of course not, Mr. Speaker. Still, it was an effort, and a typical and concrete example of the government's interest in this problem.

Much has been said about buying back our economy, which is perhaps not the most difficult of tasks. It is very important that we assume immediate control of our economy and put a halt to this persistant drain taking place on our continent and primarily in our country as soon as possible.

We must consider measures enabling us to retain existing industries in Canadian hands in the future and now, and to finance any new industries or projects of major interest for our people.

I think that we must take care of the present and the future and with some very beneficial accomplishments, we could eventually consider the repatriation of our economy. It would be advisable to remind hon. members and especially the government that we should take steps urging Canadians to encourage Canadian compagnies first. This is true economic nationalism: to convince Canadian consumers that they ought to buy either Canadian foodstuffs or industrial products.

I for one try every day to buy an item made in Quebec, and I imagine that proud as they are Manitoba residents probably do the same. In addition, I insist that the product be at least Canadian and finally if I do not find the Quebec or Canadian product which I need, I will accept an import. Now, there are always some countries which are especially eager to export their products here.

I think that this is showing a certain nationalism which is prefectly justified and logical, if we truly want not only to regain control oever our economy but also to maintain our economy and ensure that it is balanced.

When economic takeover by Canadians in Canada is mentioned, I think it would be just as important for this government never to forget to negotiate or invite provinces to discuss appropriate measures aimed at achieving the purpose contemplated by Bill C-132.

Promoting pride among all Canadians must obviously be done through publicity campaigns. To what extent have we forgotten that this publicity is absolutely necessary in order to awake Canadians? Whether we want it or not, we can do like several members and limit ourselves to condemning whichever government for not having found the appropriate machinery.

We could also just keep on thinking that legislation calling for huge outlays could manage to achieve the intent of the bill now before us. I think we will be able to do so if Canadians are aware of its importance and if they are willing to pay for this economic liberty.

It is all very well to talk about independence in all its forms but, just as we often say that a rich people is a strong people, we will indeed have to be rich if we are to be strong as an entity or as a country. Such wealth is attainable, therefore, if Canadians have enough sense of pride to invest and to want to invest, every day if that were possible, in Canadian industries and companies.

I suggest that the government should hasten to promote in Canadians this pride in investing in Canadian companies.

Let us take the example of insurance companies, because they involve large sums of money. If the millions of Canadians who need insurance were to choose Canadian companies, this could have important consequences and the government could then grant certain loans. That is what I call control of our own economy.

I have, of course, nothing against the American insurance companies, whose offices here are excellent, but I wonder if this field, like that of food, is not one in which we should exercize this individual pride. This might not seem like a very serious suggestion, but I think that governmental supervision of this sort may be necessary to attain the objectives of Bill C-132.

We can content ourselves once more with asking the government to pass legislation, but we cannot force a man to have enough pride to keep this objective in mind on a nation-wide basis. But, by means of publicity campaigns, for example, and by not being afraid to express certain opinions to the public, Canadians will become the real masters of their own economy, and then only to the extent that they want to and to the extent that they are taught to.

I could give as an example in Quebec, the Desjardins Co-operative Movement which achieved wonderful results through the promotion of collectivism, information and education. In my opinion, the government also has the responsibility for informing the people about the ownership of our corporations. We must teach the Canadian people how to invest in Canadian corporations and promote what we call Canadian products.

I will give another good example. In my own riding, Mr. Speaker, there is a green pea industry. Many times I have said, and I repeat it now, that if the people in my area decided to buy green peas from that industry which belongs to us, it would develop tremendously. Let us imagine the good results for all producers in that area and think of what might happen actually. We do not have enough pride which is essential to the success of a nation.

That is the reason why I say again that it is not only by passing legislation and by criticizing any government which failed to achieve that objective, but by teaching individuals and by giving them the necessary pride that we will cause Canadians to invest in Canadian corporations.

• (1620)

I am also aware of the efforts of the Department of Regional Economic Expansion. For a few years, this department has been spending millions if not billions of dollars. Did we ever think, for instance, of giving many more benefits to the really Canadian enterprise than to another one? Here again, there might be a few comments to make about what financial policy the government could adopt to help Canadian companies through the Department of Regional Economic Expansion, not necessarily to penalize foreign businessmen but rather to encourage Canadians. I suggest that no government could be admonished for having helped Canadian-owned businesses. I think that this suggestion would deserve the government's consideration.

If we are to speak seriously about taking over our economy and ensure above all that henceforth it will remain in the hands of Canadians, I suggest it is very important to make proposals and think of getting the contribution of Canadians.

I thought, Mr. Speaker, that it might be possible for the government to consider, for instance, withholding a percentage of Canadian wages. Perhaps this measure would not be very welcome, but the Canadian people would serve their own interests in so far as they would be compelled to do so. They are quite willing to be independant, they want to take all kinds of decisions, but they are not really prepared to endure the sacrifices all this involves. Therefore, I wonder whether the government should not decide to establish a bank designed specially to maintain our industries and establish new ones, something which would be particularly useful to our university graduates, to the experts we are now developing thanks to millions of dollars but who cannot find a job. At present, they become unemployed people with Phd's. The problem of university students is not one of skills—because they have skills—but of finance. Unfortunately, they do not have the necessary capital which would enable them to create new industries or to administer. In short, they do not have the necessary financial resources enabling a group to build something which would definitely be Canadian owned.

If we thought for instance of retaining one per cent of each Canadian's wages, it would represent millions of dollars in less than a week and much more at the end of the year. This money would be administered by the government and would not bring in a cent of interest to Canadians but it would be returned to the worker without interest 25, 30 or 40 years later; he would however have been forced to take part in the so-called conservation of our economy and in the development of the takeover of our industries. He would have been forced to it, Mr. Speaker.

This is a solution to consider even if it is unpopular at the outset. It will really be profitable for Canada inasmuch as the worker will be forced to a certain extent. He will be proud to bring into being the objective aimed at in Bill C-132 by creating new industries, by offering jobs, which will be definitely useful to future generations. It would be a way for the government to implement a measure which would give Canadians a better chance to achieve this objective, to keep the ownership of their economy. The economy will be made by Canadians, perhaps in a coercive way. But, I think it will be necessary to remind them that economic freedom in this country, whether we like it or not, will have to be paid for, and I think it would be an outstanding way to get it.

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should think that this debate is largely a rerun of the one we had last session; the bill has added to it only the clause dealing with new business. The subject of foreign ownership is one that has occupied Canadians for the last few years. Foreign investment has been viewed by many of our present economic nationalists as being something that has been foisted on us, and that much foreign investment has been deliberately designed to weaken Canada's position as an independent power. Yet I think we have to be reminded that Canadians actively sought foreign investment as a means to develop our industries and our resources for the benefit of our people. Canada has one of the most advanced, if not the most advanced, welfare structures in the world. We live in a cold climate, and without a very great level of economic activity and investment from outside this country it is extremely difficult to see how our social advancement could have been achieved without the help of foreign capital.

There are those who say that the over-all costs of foreign ownership and control are far outweighed by the benefits in the long run, while there are others who suggest that the costs and benefits are too close for a comfortable position on either side. There is the obvious question as to whether the rate of Canadian economic growth would have been significantly lower if foreign investment had not taken place at the rate it did. I do not think that there is any doubt, at least in certain parts of the country, that our resource industries would have been markedly reduced if there had been no foreign investment.

Let us take the example of the Alberta oil and gas industry. In the western provinces there are about six million people. Of these, it is reliably estimated that one million are dependent on the oil industry for their livelihood. And yet the oil and gas industry has been almost wholly developed by United States capital, with a small input of western Canadian capital. There was on the whole, up until very recently, just not the capital resources available in Canada to develop the oil and gas industry. Without this influx of foreign capital, it seems unlikely that the oil and gas industry would have been able to generate enough capital to balance Canadian imports with exports. Perhaps more amenable tax laws would have fostered a greater investment by Canadians in the industry. So, Mr. Speaker, whatever else we may think or complain about, we have as a nation been actively promoting foreign investment up until the present time.

Sometimes, Mr. Speaker, Canadians react curiously whenever conditions arise that will injure this flow of foreign investment. The United States DISC program is

designed to keep U.S. investment at home and to increase the productivity of their own factories instead of their foreign subsidiaries. This attempt by the United States government to keep investment at home should have been viewed with great affection by our economic nationalists, because it would mean a lessening of U.S. influence over economic activity in this country.

There is another facet of this debate which I do not think we have considered. There is an entirely different climate today from that a year ago as far as the investment of foreign capital is concerned. It is obvious that the position of the U.S. economy is considerably different from a year ago. The United States, with its complaints of trade unionists, a weakened dollar and a growing disenchantment abroad of the once respected label "made in the U.S.", is reordering its trading strength.

We then have the proponents of the Burke-Hartke bill which, if implemented, will bring an entirely new dimension to the problem that this act is supposed to solve. In Mr. Hartke's words:

> This bill would discourage American business investment abroad and limit the flow of imports into this country. We can no longer afford to export American jobs and technology at the expense of our own industry, all in the name of free trade.

I think words such as those send shivers into the hearts of businessmen, as well as their employees, who export goods to the United States. But United States business has counter-attacked and the multinationalists have argued that their overseas activities create jobs by opening new markets for U.S. goods and technology.

The hon. member for York South (Mr. Lewis), who yesterday stated that Canada does not need foreign capital, would be heartily in favour of this Burke-Hartke bill. A recent survey of the investment plans of a number of large American multinational corporations, as reported in one of the financial papers, indicated that their projected investment of capital in Canada was down from around $600 million in 1966 to $300 million in the present year. The recent fall of oil stocks was an indication of a withdrawal of U.S. investment, so perhaps the functions and duties of this review board in future will be different from the past.

The central issue of the foreign ownership bill revolves around the question of the proper role of the federal government. The government and its supporters are consumed by a fear of engulfment and have resorted to a defensive Maginot line posture which in a dynamic world will inevitably be outflanked.

Canada with 22 million people is in the middle of 500 million producers and consumers in the advanced economies of Japan, the United States and the European Common Market. The arguments against foreign takeovers are emotionally appealing but economically unsubstantiated. Our economy is characterized by the rapid spread and progressive development of enterprise which demands efficiency and flexibility if we are to compete in world markets. Certainly, too, the tax legislation of 1971 operated in the wrong way by penalizing subsidiaries of Canadian companies through preventing them from sharing in tax concessions granted by foreign host countries. This measure will not produce any benefits if it has the effect of cutting off the whole flow of investment funds with all that would entail.

[Mr. Ritchie.]

• (1630)

The arguments for ensuring the Canadianization of the ownership and management of our enterprises rests on the doubtful assumption that it is the function of shareholders, directors and management, rather than parliament, to see that business is conducted in the national interest, and to ensure that Canadian ownership is sufficient to guarantee confidence and devotion in that endeavour. It is difficult to understand how one will become more efficient by ensuring Canadian control of share ownership. It seems likely that some Canadians will lose by being prevented from selling their business to the highest bidder, regardless of nationality.

It is almost certain that by eliminating the possibility of foreign takeovers, many Canadian companies will lose their bargaining power and they could be taken over by large Canadian enterprises at depressed prices. The best way to ensure the promotion of the general welfare is to compel the existence of effective competition in the market for goods and factors of production. Restrictions on foreign investment makes far less sense than making sure that all businesses operate in accord with Canadian interests.

Mr. Speaker, in attempting to control and monitor foreign investments, we are in effect setting up another bureaucracy to control private business. I use the phrase "private business" advisedly because, with the thousands and indeed millions of investors in some of the large corporations, they are in themselves almost small nations, albeit of a multinational nature, but the government will be setting up a bureaucracy in Ottawa which will mean that for every business sale the seller will have to ascertain whether or not the proposed sale meets with the approval of the screening agency.

Much of the impact of this legislation will depend on how the act is to be administered. There are many small businesses, including farms, that will be affected by this legislation. And then, of course, the onus is on them to ascertain whether or not the proposed sale of a particular business is to a foreigner. This screening committee will be a body in Ottawa that could have a great deal of influence and could become a bureaucratic nightmare when it is carrying out its functions. To the bureaucracy will be given the task of deciding whether a foreign takeover or a new business will increase the level of economic activity in Canada, including employment. This is almost a motherhood statement and I would think that every takeover or new business could be so classified.

Then, we must consider the degree of Canadian participation in an industry or the degree of productivity, efficiency and so on. The fourth factor is the effect of the proposed investment on competition within Canada and, finally, there is the compatibility of the investment with national industrial and economic policies, including those enunciated by the provinces.

Mr. Speaker, this is quite a tall order because the members of the board will have many variables to assess. I suggest that the senior members of this board, sitting here at Ottawa, will have a difficult time in deciding, with the

myriad of guidelines to follow, just what to do in any particular application. I suggest that this review body could have other very useful roles with regards to foreign ownership takeovers. Canadian society has rested on two major elements which protect the individual and promote general welfare. These are the rule of law and the maintenance of a reasonable balance among the institutions of power so that no one institution or group becomes too powerful.

This commission could well have the general authority to obtain information concerning businesses and corporations. It would gather statistical information on business organizations and procedures throughout the nation. This collection of data would serve as a groundwork for policy information and as a base for new legislative departures. This commission would serve to make sure that free enterprise would be permitted to operate; it could carry on investigatory activities which should be handled by its own economic staff; it could analyse purchasing and output policy and important market imperfections would be reduced and restricted, and unethical practices curbed. It could investigate the policies through which United States parent companies govern their Canadian subsidiaries, and the reaction of parent companies to permitting Canadian subsidiaries to expand their activities.

The present Combines Investigation branch only studies possible violations of the combines law that have been submitted to it. The projected trade commission would be a permanent organization which, by gathering statistical information on business organizations over the whole field of industry, would be able to uncover new problems and make recommendations for additional legislation to correct any abuses.

The devising of an industrial strategy for Canada, as has been noted by some, follows the idea that we should trade off manufactured goods as the price of allowing the export of energy to the United States. It is widely felt that only the manufacturing industry can provide the jobs necessary for the Canadian labour force. But all statistics indicate that Canadian manufacturing is hard put to maintain the present number of jobs and it has fallen on the service industries to provide the jobs for the record number of Canadians entering the work force.

These service industries have largely lived on the income provided by the selling of resources to the world at large. It is difficult to see how the United States, with its balance of payments problem, can provide the only market for Canadian manufacturing as it presently does. All indications are that the price of Canadian energy, if we have a surplus of it, will be high and run into competition from oil and gas brought from the Middle East. Canada's best export chance seems to be in selling raw materials, processed to the greatest degree possible before their sale.

It is interesting to note that many Canadians feel that the U.S. has made us the hewers of wood and the drawers of water, when the fact is that Japan and the ECM take our natural products in a much lower form than does the United States. All of these problems were ventilated at the hearings last year.

Mr. Speaker, this legislation brings forward many ideas as to what we should do to make our Canadian economy more effective. It seems to me that the way to counter foreign investment is to have a strong internal business economy. In the budget speech the government suggested that they would bring forward proposals and legislation which would substantially help the small business. But really these are, in many cases, merely token efforts.

I should like to turn to agriculture as one area in which the government has often followed policies which have not been in the best interests of agriculture or the country as a whole. In recent years we have had the white paper on taxation, with all its uncertainties about what our taxation policies should be. These taxation policies were especially detrimental to the individual entrepreneur in agriculture, and, when the white paper was translated into the tax measures, the primary producer of food found that he was severely penalized. The overriding implication of the white paper that a buck was a buck and should be taxed accordingly found its way into the tax legislation.

Agriculture is a significant factor in both our external and internal economy. We have to import a large amount of food that cannot be grown in our cold country. We are confined in our exports to three or four major commodities such as wheat, barley, rapeseed and flax. In general, we are a meat importing country. The export of grains is especially valuable to Canada because this $2 billion is obtained mostly from outside continental North America, not the United States. Has the tax legislation this government enacted in this past four years been beneficial to these exports and to the industry? The answer is, of course, no. The government has introduced a capital gains tax on farm lands with merely a face saving device such as exempting from capital gains tax the passage of the land at death within the family.

The cancellation of the straightline depreciation on farm machinery is a severe blow to the grain farmer of western Canada. The removal of estate taxes is of no real benefit, but as a result of certain changes we will be able to preserve productive farm units from one generation to another. Mr. Speaker, I see that my time has expired.

• (1640)

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I must say that this particular subject is one which produced a remarkable lack of interest so far as the public was concerned during the election campaign. As I look over the number of members in the House of Commons today, that same lack of interest seems to be expressed by our elected representatives. I am sorry to see this, because I believe this should be one of the gut issues of the country. What we are debating today is really not a question of the effectiveness of this bill, but rather whether or not Canada can survive and whether or not this debate is really heralding the beginning of the end of Canada as an independent sovereign country. I suggest that unless we do something meaningful we can look forward to that in the future.

The trends in respect of increasing foreign ownership in this country are so firmly developed and so firmly established that to tinker around with the subject in the way in which this bill does will not come to grips with the problem. In fact, I suggest it may do more harm than good

because the bill appears to do something about the problem, when I submit that it will accomplish nothing significant in respect of retaining our cultural or economic independence. I say this because the extent of the problem is overwhelming.

I hate to bore parliament with the dreary litany of statistics in respect of foreign ownership, but a couple of items have not been raised. One is that there is more foreign ownership in Canada than in all the European nations combined. Second, we have the highest per capita foreign direct investment of any country in the world. In terms of percentages which have been gone into, 99.9 per cent of the petroleum industry is controlled by foreign investment. This figure is 97 per cent in respect of the automobile industry, 62 per cent in respect of mining, 83 per cent in respect of oil and gas, 90 per cent in respect of the rubber industry, 77 per cent in respect of the electrical apparatus industry, 90 per cent in respect of the computer industry and 92 per cent in respect of the aircraft and aircraft parts industry. What may be more significant is that these are the growth areas in which we find the new technologies which drive Canadian competition to the wall. What happens is that our Canadian companies are not being given the capital which is necessary in order to compete with this American multinational trend.

Let us have a look at what the bill would do to reduce this trend. I suggest that it allows this government to sit by and watch this process continue. It is less a screening agency than a welcome wagon. Let us not forget that this bill is not particularly significant in its present form. The key weakness in the bill is that it fails to limit the expansion of existing foreign-dominated corporations. By far the greatest growth in the foreign sector is through the expansion of existing subsidiaries. It has been noted that the growth is almost entirely financed through Canadian capital, either through loan capital or annual profits. The failure to cover this situation in the bill avoids the real problems which are developing and which have been developed in the economy over the past 30 or 40 years. I submit the bill must go further in terms of the export of raw materials. I come from a province where recently during a provincial election this was the number one issue. On this issue, the party which I represent was elected to office. That was the major platform. The people were waking up to the situation.

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order. What I have to say may not be very pleasant but the Chair must take this opportunity to point out to hon. members, and particularly to the one who now has the floor, that a certain behaviour is expected in this House. Conduct, decorum are prescribed by the Standing Orders; the hon. member should stand up like all other hon. members to address the House.

[*English*]

Mr. Leggatt: Mr. Speaker, I assume that you have some objection to my placing my foot on the chair. I will be happy to conduct myself in a parliamentary manner.

Mr. Baldwin: The game here is not to put it into your mouth!

[Mr. Leggatt.]

Mr. Leggatt: I thank the hon. member, Mr. Speaker. I am sure he was being kind to a new member by admonishing me for having put my foot in my mouth rather than on the chair. I shall keep your admonition in mind, Mr. Speaker, but I think we should try to be informal in this place and when standing should attempt to be as comfortable as possible.

I was talking about the export of raw materials and the fact that the government of British Columbia recently changed over this particular issue. What I am suggesting to this government is that unless it wakes up to this issue, the government of this country will change. We cannot continue to export our jobs along with our raw material. There, again, I suggest that the bill is inadequate.

The other area which to me seems to involve something close to a national scandal is the way in which we continue to finance takeovers through the use of our own resources, taxes, gifts and grants. Over a three-year period DREE gave more than $42 million in grants to foreign-owned corporations. It gave $6 million to IBM, $15 million to Proctor and Gamble. How does a Canadian corporation compete with that sort of thing? I submit this kind of nonsense must end. It is even worse of course when one looks at the giveaways in respect of research to foreign corporations in this country so that they can more efficiently and more effectively compete with Canadian corporations and drive them to the wall or out of business. As much as 80 per cent of the expansionary funds the United States corporations use in this country are Canadian in origin. I repeat that we must be the most stupid people in the world to continue with this kind of nonsense. Let us not be afraid of tough foreign control legislation. The rest of the world has not been afraid of it. We can learn something from Japan, Sweden and France as well as Mexico which has begun to cure this problem in respect of its economy.

The hon. member for Athabasca (Mr. Yewchuk) indicated in his remarks that no one from this part of the House, the New Democratic Party, mentioned the labour movement in the context of Canadian independence. I am very happy to raise that particular subject because I think it is one which is important. However, let us keep it in context. The question of autonomy in this country is far less significant than the ownership and control of our natural resources as well as our business corporations. The international labour movement does represent a problem. I can give an example from my own riding. The local union of a distillery, Seagrams, the Distillery Rectifying Wine and Allied Workers of America, voted 96 per cent in favour of rejecting the recommendations of their international organization whose headquarters is in New Jersey. Their vote was invalidated in New Jersey on the somewhat spurious ground that it had been counted before it reached the international office. All these workers in New Westminster were seeking was parity with the workers in the Hiram Walker Plant in Ontario. They were seeking some equality for their female workers and equality in respect of benefits now paid in the province of Ontario. This international union, which looks surprising like a company union, refused to accept their legitimate ballot count.

• (1650)

With reference to this subject, I say to the Canadian labour movement—and I am proud to say it as a member of the NDP—that they have to clean their house. We must give autonomy to Canadian labour unions. They have to change their constitution so that they can have autonomy with regard to their money, their votes and in every other area affecting labour in this country.

In 1958, the present Prime Minister (Mr. Trudeau) was quite a literary giant. He was writing in a publication called Cité Libre. He had some very interesting things to say about Canadian independence. This is what he wrote:

Shall we suffer passively our situation of economic domination? It would be better to be annexed outright by the United States than to be exploited without limit.

That is what he said then; what has he done about it since? In fact, the trend has not only continued but it has accelerated under the jurisdiction of the Trudeau government. The time has come in our history when we must ask ourselves: is this country worth preserving? It is these differences that are worth preserving. I do not think anyone in the House wants to see this country become an extension of Los Angeles or adopt an extension of the American ethic because there is something worth preserving north of the 49th parallel. It is subtle, it is intangible, and it is very hard to define, but it has something to do with the Canadian attitude to life. Perhaps the tradition of settling our differences short of violence and finding by the rational method a solution to what seemed on the surface to be an insoluble problem has something to do with it. We have the tradition in this country of having settled our west with very little violence, unlike the United States. Perhaps what is most important is that we have a chance on this half of the continent to learn from the tragic and serious mistakes that were made in the formation of society to the south, where a climate of violence prevails and where there is one of the highest crime rates in the world.

We have a different kind of experiment on this half of the continent, and I submit that it is well worth preserving. I want to quote Abraham Rotstein of the Committee for an Independent Canada who said:

It's time to interfere in our own internal affairs—

I suggest that this bill really does not interfere in our own internal affairs at all. It is just a kind of watching brief on the continuing sell-out of the country. Abraham Rotstein went on to say:

—to show that after a century of living as bastard Englishmen and bastard Americans, it's all right to be plain Canadians at last.

What Mr. Rotstein and the Committee for an Independent Canada have done has been to cast a strong light on Canadian identity because that Canadian identity will disappear into Baffin Bay if we continue the cultural colonization of this country at the present pace.

I also want to quote Dennis Duffy of the *Globe and Mail* who said:

You can cook a toad so slowly you won't even know it's being done.

That is what has happened, and I say it is time to stop.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, clause 2 of the bill now before the House states clearly, specifically that the Parliament of Canada—

. . . in recognition . . . that the extent to which control of Canadian industry, trade and commerce has become acquired by persons other than Canadians and the effect thereof on the ability . . .

Faced with this situation, we cannot but support any measure intended to stir the Canadian people to react to that state of affairs. Still, it is strange, Mr. Speaker, that we should have to speak of taking over the control, since that leads us to ask ourselves why we no longer have it? It was therefore urgent that we should react to that situation, that we should take steps likely to favour typically Canadian undertakings. But we can only arrive at concrete and tangible solutions if we try to determine the causes of our difficulties.

How is it that for years we have had hardly any protest against the fact that we dress ourselves in foreign clothes, that most of our consumer goods are made abroad? How can we explain that we even buy some of our food products abroad?

Mr. Speaker, it is obviously our present financial system which is the cause of this. Why do these difficulties exist? It is because we have ignored a basic principle on which any investment policy should be founded, which is that the spirit of initiative that brings Canadians to set up manufacturing industries, or to found companies, is totally paralyzed, quite simply through lack of capital. As the sole source of such investments is foreign capital, it is hardly surprising to see that the investors finally take control. This is to be expected.

Mr. Speaker, first, we should ask ourselves to what extent do we need foreign investment to promote exclusively Canadian production, and whether or not we have the necessary raw materials. Second, we should ask ourselves if we have sufficient labour to manufacture what we need. Third, we should ask ourselves if we have the engineers we need to set up plans and make the extrapolations, in a word, to know exactly where we are going.

• (1700)

If we asked ourselves those three questions, Mr. Speaker, all hon. members of this House would agree of course that surely we are not short of raw materials in this country. We are short of nothing—I have said so on many occasions—except lemons, oranges, grapefruits and bananas. In brief, we are short of nothing in Canada. We even have pears in abundance.

Mr. Speaker, we have all the natural resources, all the raw materials that we require to manufacture all the products that we need for domestic consumption, We have—and the Minister of Manpower and Immigration (Mr. Andras) knows that more than anyone—nearly one million unemployed in Canada. So we are not short of manpower. And since we have more universities and colleges which now train engineers, scientists in all fields, surely we are not short of experts either.

With those three essential elements, why, Mr. Speaker, ask ourselves if we need foreign capital? That is what we have done in the past, and that explains the considerable

amount of unemployment as well as the fact that 60 per cent of the products we consume come from abroad. We would be better off manufacturing them ourselves. In other words, that explains the failure of Canadian industry. If we want to remedy that we will not succeed by penalizing those who continue to believe in foreign investment but by changing in its entirety the principles which govern production in Canada. And that is why this bill centers on very deep causes as well as other points essential to the people of Canada.

Mr. Speaker, it is clear that as long as we accept to consume foreign products which we can produce ourselves, as long as we believe that nothing can be done without foreign investments, nothing—and I repeat—nothing will be done.

Yet there is a concrete and clear solution: all our consumer goods whether food stuff, textiles or whatever, should be produced right here in Canada. All the government need do is ensure the availability of credits required for this purpose. As soon as this principle is recognized, we will no longer have any foreign ownership problem as it will be our own money. In other words, our own credit would finance our whole production system. This is quite same problems and never find any solution.

When we speak of respecting private enterprise, when I say that the government should facilitate credit I do not mean that it should take control of all our companies and interfere with the private sector. This is of course not my point; we are completely opposed to the NDP policy in this connection.

We want all businesses with initiative, when they prove they are able to manufacture the required products which can be consumed by the Canadians, to be assited by legislation aimed at creating new enterprises or at facilitating credit.

Mr. Speaker, we would then be far from subsidies and grants and the whole system now in force and in order to palliate the unemployment problem and promote production in Canada, I believe it would be much better to provide those businesses with the credits they need, provided it would be at a very low rate of interest. There lies the problem. I am convinced that if we were to ask all owners of businesses to choose between a $100,000 loan at 3 or 4 per cent and a $25,000 grant combined with a $75,000 loan at a 10, 11 or 12 per cent rate of interest, they would prefer not getting any grant at all and securing a total loan of $100,000, but at a very low rate of interest. That is how industry could compete with foreign production.

Besides, I think it could never be said too often—it is somewhat ridiculous to have production work exclusively on others.

On what grounds can Americans, Europeans, Asiatics or Africans, with the help of their internal policy, come and influence ours? On what grounds do we have to buy shirts from Japan, Korea or China, merely because those shirts on the Canadian market are, we are told, a little cheaper than the shirts made in Canada? On no grounds at all.

Even if Canadian shirts or shoes were a little more expensive than those made in Japan or elsewhere in the world, what is important is that the Canadian consumer should have the purchasing power he needs to buy them.

Citizens from Quebec, British Columbia or Ontario would not mind paying shirts twice the price provided they would have in their pockets the money to buy them. It is as simple as that.

It is that sound and firm principle that should be applied. Should we concentrate all our activities on the attainment of balance between the purchasing power and the production cost there would never be any inflation or deflation; in short, there would never be any problems.

So, if our system allowed us to produce in Canada all the goods we need, whatever the price, we would only have to balance purchasing power and cost of production. Under such a formula we would reduce unemployment to its limit and we would no longer be at the mercy of other countries for our survival.

Under such a formula, I already said it and I am taking the liberty of saying it again, we would no longer be compelled to buy foreign products because they are cheaper. We cannot presume what went on in the exporting country. What assurance have we that such countries do not succeed in competing with us because of special laws of their governments? Mr. Speaker, I will say as a closing note on Bill C-132 that I understand the government's intentions and I agree with them. However, I want to point out that the question of foreign investment will not be truly solved until we stop waiting for foreign capital and start issuing the credits required to produce the goods the Canadian consumer needs.

[*English*]

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. It is my understanding that there are three speakers left on the list, and I suggest that to permit the minister to wind up the debate we limit speeches to 12 minutes for the succeeding speakers so that we could finish by six o'clock.

• (1710)

Mr. Gillespie: Mr. Speaker, that is agreeable.

The Acting Speaker (Mr. Laniel): Hon. members have heard the suggestion made by the hon. member for Esquimalt-Saanich (Mr. Munro). Is there agreement that from now on speeches will be limited to 12 minutes, with enough time for the minister to wind up the debate and take the vote by six o'clock?

[*Translation*]

Do hon. members agree that speeches be limited to 12 minutes in order to allow those who wish to speak to do so before six o'clock?

Some hon. Members: Agreed.

[*English*]

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, because so many hon. members have spoken on this bill before me, I do not want to repeat the pages and pages of statistics which have been brought out in this debate. I would rather, Mr. Speaker, begin by trying to determine what the results of foreign investment in our country have been and will be on the well-being of Canadians one way

or the other. After all, this is the key area with which we should be concerned, and it seems to me that it is often overlooked by members from the other parties.

The contribution of foreign investment to economic growth can be measured by determining the extent to which foreign capital permitted an increase in the stock of Canadian capital that would not otherwise have taken place. Against these benefits to Canadian economic growth must be set the interest, dividends and business service payments of various kinds which foreign owners earn in Canada. Therefore, the value of foreign investment equals the increase of Canadian stock capital which otherwise would not have taken place, minus the interest, dividends and business service payments earned by foreigners.

However, the nature and extent of the grain from any given direct investment depends on two crucial points: first, it depends on the extent to which competition in a system diffuses the impact of new products and processes-increasing productivity or lowering prices. In brief, whether the new entrant shakes up the pattern of production or distribution, or simply adapts to the existing pattern in order to avoid disturbing the market. Second, the extent of gain depends on the extent to which Canadian governments succeed in taxing profits accruing to foreigners at an optimal rate. It also includes the special need to ensure there is not overpricing on purchases from foreign affiliates and underpricing on sales, such as to reduce the tax yield due to Canadian authorities.

For the greatest part of the last century, the principal objective of industrial policy in Canada was economic growth—growth through settlement of the west, growth through exploration and exploitation of mineral resources, growth through application and adaptation of technology to processing and growth through protection of manufacturing activities to supply the requirements of an expanding population. Today, growth is still important, particularly in the relatively short term, since in the 1970's the Canadian labour force is growing more rapidly than in any other developed country. But these days, growth in productive capacity is only one of our objectives. Our main concern is to increase Canadian participation in the development of the economy, and yet another is, obviously, to increase the quality of life for all Canadians, to create more "Canadianism" in our economy, if I may use that term.

The following problems draw attention to the fact that the allowance of foreign investment into Canada must be accomplished in terms which differ from those used in the past. The government must become more active than it has been in order to ensure Canadian participation in the Canadian economy. It must guarantee that not only future, but also present, foreign investment serves Canadian interests. Direct foreign investment provides capital for growth both through new inflows of capital and through use of retained earnings in Canada. The reinvestment of retained earnings is often viewed as the use of Canadian savings, which is correct in a sense, but the crucial question, frequently overlooked, is whether these savings would have been generated without the original foreign investment initiative.

We must, therefore, consult and co-operate with the provinces to assure an increase in Canadian participation in ownership of the economy, and not keep a closed door policy as the government has been doing in the past. We must have some positive measures designed to encourage Canadians to invest in the development of Canadian enterprise and our party has on numerous occasions proposed, among other things, initiative programs for both individual Canadians and Canadian small business. Mr. Speaker, I do not have time at present to elaborate on this matter.

We must establish more effective guidelines for corporate behaviour in Canada by foreign-owned companies. We must require full financial disclosure from Canadian based subsidiaries of firms owned by interests outside Canada. We must require that Canadian citizens constitute the majority on the boards of all companies operating in Canada under federal charter. We must encourage foreign-owned subsidiaries to appoint Canadians as executive officers of their companies.

We must immediately set to work with the provinces to produce a national development strategy for Canada. Part of the process of arriving at that strategy will be the identification of any additional key sectors of the economy in which foreign investment or takeovers should be limited or not permitted. These key sectors will be determined on the basis of their significance to either economic or cultural fields. Unfortunately, this bill does nothing to control in any way the continued expansion of existing foreign-owned companies in Canada so as to assist remaining all-Canadian companies to grow in a healthier economic climate. Foreign ownership in Canada has increased in the most part through the expansion of existing foreign controlled enterprises mostly with our own money—a fact that Bill C-132 has overlooked as well. And that, Mr. Speaker, leads me to the far too inadequate banking system and more specifically the antiquated Bank Act itself. I believe the banking system bears prime responsibility for not only the largest total of business failures since the depression, but for the ultimate alternative of foreign ownership.

I can think of no better example than my own business experiences during the Trudeau years to demonstrate the many flaws in the government's over-all economic policies. Unfortunately, my experience is not an isolated example but is a far too common happening in Canadian business today. I started a small manufacturing company some years ago. In the first three years we realized a substantial growth to over $1 million in sales, providing over 50 new jobs for Canadians. By the middle of 1971, business had become very active and we reached even higher sales which required us to expand our facilities. For this we needed further financing. Up to this point, it sounds like a perfectly healthy business situation. The simple fact that any Canadian, whether rich or poor, can start a small business of his own at any time, anywhere, makes me proud that I am Canadian. But over the years, especially the last decade or so, under the Liberal government, it has become more and more difficult to expand a Canadian business once started. Foreign owned companies can expand easier than we can, because of the high credit given their parent companies.

Mr. Speaker, let me briefly go back to my own experience, when my small all-Canadian business needed expansion capital in order to exist with the growing market trend. The crunch came when we approached Canadian chartered banks and finally the Industrial Development Bank, which theoretically was created to promote the economic welfare of Canada with particular consideration to the financing problems of small enterprises. It took us close to a year to obtain a relatively small loan from the IDB which cost us in legal fees nearly 10 per cent of the loan. Our collateral to the IDB was almost four times the value of the loan. As a matter of fact, so much collateral was needed that if I had told them my grandmother had gold fillings in her teeth they probably would have wanted those as well. On top of that, the interest rate was 11½ per cent. I do not call that helpful to anyone.

Eventually, like many other Canadian manufacturing companies we lacked growth capital to create jobs, curb inflation, and generally, in a small way, help the over-all Canadian economy. The American sharks were biting at our heels. To make the story short, an American firm finally offered to buy me out. This American firm had already been offered the required capital for the takeover by the same Canadian bank that had turned us down to stay Canadian. In other words, it is the same old story of being bought out with our own money. Fortunately, in my case, due to numerous personal circumstances, we were able to stay Canadian. But there are many cases in Canada, not only in small business but large industry as well, where the Americans literally did buy us out with our own money.

For example, McGraw-Hill bought out Ryerson Press and did so with a $2 million Canadian bank loan. Michelin of France moved into Nova Scotia, financed in part by a $20 million loan from the Royal Bank. Crown Zellerback of Canada borrowed $35.2 million from the Canadian Imperial Bank of Commerce to pay a debt to its U.S. parent. I could go on and on giving a great list of Canadian companies being bought out by Americans with our own money. If foreign firms, most of them American, get first crack at our savings, Canadian firms will therefore be denied this privilege which they deserve. There must be many revisions to the Bank Act, to encourage the development of financial institutions which are feasible and will suit Canadian needs.

• (1720)

We can only expect, if this dearth of funds continues, to see more reports such as this recent Dun and Bradstreet report from which I shall quote:

2,848 businesses went bust last year, the highest total since 1932, when there were 2,938 failures.

Immediate action must be taken by the government of Canada to change this drastic movement in our over-all economy or, to put it more simply, to get more Canadians involved in Canada. The government must act to revitalize the whole banking system. We need immediate action, Mr. Speaker. It is clear, once again, if we look at the present inadequate bill before us, that the Trudeau government is not the government that is able to cope with this most important of problems.

[Mr. Jelinek.]

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, the Liberal government has once again demonstrated its incompetence. After years of legislation which has discouraged Canadians from investing in Canadian businesses, this government has found it necessary to yield to pressures and has introduced another negative bill, Bill C-132. This is an especially negative bill, when contrasted with the extremely positive ideas put forward in this debate by my colleagues, particularly the hon. member for Trinity (Mr. Hellyer). In addition, Mr. Speaker, this bill will create the foreign investment review agency, complete with commissioner and staff; and another full-grown bureaucracy will have been added to the ever-increasing amount of federal government.

The taxpayers of Canada have said that they do not want more government bureaucracies; nor do businesses, large or small, want more government forms and red tape. They all want less government, less taxation and less interference with personal freedom. They know that the Conservative party is the only party that can form a government which will provide the results they want and that Canada needs so desperately.

I should like to tell hon. members a little story that will illustrate the degree of incompetence displayed by this government and that will show that one hand of this government has no idea what the other hand is doing. At the same time that the government was drafting Bill C-132, which proposes to restrict the transfer of Canadian businesses to "non-eligible persons", this same government was embarking on a business venture in partnership with some of those very same non-eligible persons. On January 15, this year, the Vancouver *Sun* carried an announcement regarding the formation of a new capital ventures firm, with majority control by Canada Development Corporation. The new company, Ventures West Capital Limited, with head offices in Vancouver, has an initial capitalization of $3.5 million, of which Canada Development Corporation has taken over $2 million. Some other investors are the Bank of British Columbia, the Bank of Tokyo, Guaranty Trust Company, and several other individuals and private investment groups based in western Canada. The Bank of Tokyo, of course, would be considered a "non-eligible person" under Bill C-132, and at least one other corporate investor has non-eligible shareholders. Surely this is a strange involvement for the child of a government that professes a desire to save Canadian businesses.

You may recall that CDC was formed to prevent Canadian businesses from falling into foreign hands. As if its recent activities were not strange enough, we are told that CDC will participate in further Ventures West share offerings of $1.5 million. You may know someone who, on the apparently favourable terms offered, would also like to go into partnership with CDC. Unfortunately, Chairman A. E. Hall, who also happens to be President of the Bank of British Columbia, says that investors must be active in the world of big business and that the minimum investment is $100,000. Also, the new company considers itself to be a private company, so the books are closed to public scrutiny, even though some $2.5 million of taxpayers' money is invested.

I would emphasize that I do not question the motives of the non-government investors; nor do I suggest any wrongdoing on their part. Every westerner knows that western businesses have often been at the mercy of the big eastern financial interest. We westerners welcome new pools of capital, to give the eastern trusts and banking fraternity some competition.

The stated objectives of Ventures West are to take equity positions in western Canada and the north and to encourage Canadian and foreign investors to participate in joint ventures. But, I question the propriety of the government's entering into such a venture, especially at the very time it had Bill C-132 on the drawing board. The new ventures capital company will concentrate on investing in natural resource companies and companies that have good management and good growth prospects. These are admirable aims and the private investors are to be commended for their initiatives. But the government should be condemned for entering into a business which will use the taxpayers' money to undermine competitive sources of venture capital, underwriting facilities, etc. The targets of Ventures West are the companies that can survive and prosper in the existing conditions without government interference. And I protest on behalf of all taxpayers this further act of "big brotherism", by which the government takes away the fruits of our labour so that it can invest our money as it pleases, even when its investments conflict with its own policies.

As I said in this House only a few days ago, the government cannot create, cannot built of itself, but can seize only what others have created, to do what it want to do. So, Mr. Speaker, here we have the spectacle of the government proposing a bill to restrict foreign investment in Canada, when it has just embarked on a business venture with foreigners and placed itself in the position of having to answer the following questions: First, was proper value received for the investment of taxpayers' money? Second, did all investors pay the same price for their shares? Third, why can't the ordinary investor benefit from the apparently attractive terms offered, and why does the government favour only the wealthy, who can afford to put $100,000 into a single investment? Fourth, why has the government invested taxpayers' money in a private company which is not subject to public scrutiny? Fifth, why has the government seen fit to use taxpayers' money to undermine competitive brokers, investors and underwriters? Sixth, why has the government allowed CDC to vary from its charted course and use Canadian tax dollars to invest in the very companies that do not need government intervention? And perhaps the paramount question is, why is the government interfering with people's personal freedom to work, save, and invest as they see fit—as the people see fit?

I say again that it is folly for us to think that government can solve our problems for us, when the only resources at government disposal are our resources. Bill C-132 and the contradictory activities of CDC are examples of the government's taking the people's money and spending it as politicians and bureaucrats see fit. These are steps in the wrong direction, steps away from a truly free and prosperous society.

This government says that it is concerned about the high proportion of foreign ownership in Canadian industry yet this government brought in a capital gains tax! I cannot think of a single instance in Canadian history in which the government's actions were more inconsistent with its words. Even the actions of CDC, which I have been talking about, pale in comparison. Either the government is terribly ignorant of economics or the government is terribly dishonest. If it thinks that it can increase the proportion of Canadian ownership of Canadian industry by levying a capital gains tax, which penalizes Canadians for risking their savings in Canadian equities, then it is terribly ignorant of economics.

• (1730)

The alternative is that the government is aware that the capital gains tax seriously impairs Canadian investment, but that the government's tax policy is made by socialist theoreticians, who levy taxes in accordance with socialist ideology, not as a practical means of raising revenue. Of all the taxes presently levied on Canadians, none is more injurious than the capital gains tax. It discourages Canadians from investing. By forcing investors to make investments on the basis of tax considerations rather than considerations of efficiency, it wastefully distorts what Canadian investment there is. It reduces the amount and efficiency of capital goods with which Canadian labourers work, thereby reducing the productivity of labour and labourers' real wages. It imposes a nightmare of complexity on Canadian taxpayers. Surely the value of the time wasted by Canadian taxpayers and their lawyers and accountants, as well as by the bureaucrats in the income tax department, will exceed the revenue brought in by this tax.

If this government were really serious about increasing employment in Canada and encouraging Canadian ownership it would get rid of its socialist theoriticians and their capital gains tax. Then it would ask practical men to help find practical, not ideological, solutions to Canadian economic problems—problems which are substantially the creation of this government. But, Mr. Speaker, we understand this government well enough to know that Canadians cannot realistically expect such genuine reform from the present administration. That is why the present administration has got to go, to make way for a Conservative government to straighten out the mess that the present government has created.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I rise to make a few comments on the investment review bill. I have listened to some very fine speeches in the House on this subject. I have listened to the economic surveys which have been presented to us by many hon. members, and the more I listen the more I become confused.

With respect to the foreign review board which is to be set up, I wonder, in particular, what it will cost the Canadian taxpayer and how effective its actions will be. I am prompted to ask this question because of what other boards set up in this country have done, or left undone. I think, particularly, of the anti-dumping board intended to protect Canadian industry and the jobs of labour. This tribunal is, as I understand it, processing cases at the rate of five or six a year. I have looked up the cost of this

tribunal to the Canadian people and I find it is in the neighbourhood of $300,000 a year with a top salary to its chairman of about $34,000. What have they done? This is a question we should ask ourselves. What is the board contemplated in this measure likely to do?

In my area there is a Canadian-owned industry processing hides. It was not protected. They have not been able to buy their hides in Canada. They have to import them from Mexico. Then they must compete with foreign labour whose wages are half those paid to workers on similar jobs in Canada. I should like to place on record an excerpt from the statement of the president of that company to show how ineffective are the tribunals and boards which have been set up. The statement is contained in a report delivered to the annual meeting held at the Skyline Hotel in Toronto. The Minister of Industry, Trade and Commerce (Mr. Gillespie) has a copy of this report. Mr. Albert Cook, the president, stated:

> The tanning industry has been in existence in Canada for 323 years, since the building of the first tannery in Levis, Quebec. I doubt that the industry has ever in its long history been in as precarious a position as that in which it finds itself today. Unless help is forthcoming soon, the Canadian tanning industry as we know it is on its way out. With it will go the jobs of some 2,500 men and women working directly in the industry and, more important still, the jobs of 25,000 workers in related industries would be affected.

This is a Canadian industry, Mr. Speaker. What are we doing to protect it? Mr. Cook continued:

> I speak not only as president of this association but as a Canadian when I say this situation is a matter of national concern. Our industry is unique in Canada. Our member firms are 100 per cent owned and operated by Canadians. We are well-equipped, technically competent and well-managed. In this era of multi-national corporations and the dominating presence of foreign investments in almost every facet of this country's economic activity, a genuine all-Canadian industry is a rarity. But, like the whooping crane, we are an endangered species, threatened with extinction.

I go on, now, to read another excerpt from the report:

> In 1960, only 5 per cent of the pairs of shoes sold at retail in Canada were produced outside Canadian factories. Almost half of all shoes sold at retail in 1972 were imported.

We might well ask ourselves at this point what is the use of setting up boards costing the taxpayers millions of dollars when they are not even protecting the industry which is presently established here. I think it is most important we should protect established Canadian industry, and for this reason I am putting parts of Mr. Cook's statement on the record. He continues:

> The intrusion of both shoes and leather from other countries into the Canadian market is perplexing, to say the least. The shoes and the leather come mainly from the so-called developing countries where substantial government subsidies to exporters and comparatively low wage structures combined with the very latest in production equipment, often provided at government expense, make it impossible for Canadian-made products to compete in the Canadian domestic market.

I might add, Mr. Speaker, that some of this equipment is provided by the Canadian government itself. The report goes on:

> Another factor working against our industry in the past year has been the spiralling price of hides generated by a world shortage... Not only does our industry find itself threatened by imports, but our markets abroad have declined drastically largely due to the devaluations of the pound sterling and the U.S. dollar.

Britain and the United States have been the industry's chief customers. The possibility of replacing these two main markets is non-existent. Other countries are developing their own tanning industries and with them are coming trade restrictions. To quote directly from the report:

> Some 65 per cent of domestic leather sales goes into the manufacture of footware and unless other markets for leather can be developed we have to reply for survival on a continuing domestic market for shoe leathers... It is apparent that the Canadian tanning industry has become almost totally dependent on the Canadian footwear industry for its existence.
>
> A recent study commissioned by the federal Department of Industry, Trade and Commerce shows the folly of this position. The study forecasts that by 1975, only two years away, if the current situation remains unchanged and the trends of the past ten years are allowed to persist, imports of footwear would total 41 million pairs and would result in reduced consumption of Canadian-made footwear to 18 million pairs. I suggest to you that this is a very conservative forecast.

Perhaps it is not quite so conservative, because it was the government which undertook this study, I believe.

> It would mean that domestic sales of shoe leather would be reduced by at least 50 per cent.
>
> Clearly, before 1975, unless something is done to rectify this situation, the Canadian tanning and shoe manufacturing industries will be on the ropes, and also the jobs of those Canadians who are employed in these industries.

I think this is most important because, after all, we are dealing here with a Canadian industry.

> What is to be done? We have placed all these facts before the federal government. We have placed them before the Minister of Industry, Trade and Commerce in the previous administration, as well as officials of his department. We have privately restated our case for the benefit of the new minister.

I note he is in the House and listening to this. Last May a submission was made to the anti-dumping tribunal but since then we have heard nothing. The anti-dumping tribunal is not a regulatory body but merely makes a recommendation, if so inclined, to the federal government. I do not know whether the federal government have heard anything. If not, I think they should have communicated with this tribunal.

• (1740)

This gentleman winds up by saying:

> —I predict the Canadian tanning industry, born in 1651, will before 1975 be preparing its obituary.

I put that on the record, Mr. Speaker, because here is a Canadian industry that is disappearing from the Canadian scene. I should like to know how the minister proposes to deal with this situation, and what he proposes to do about it when the investment review board is set up. I have seen so much political window dressing during my time in parliament, Mr. Speaker, that no wonder I am sceptical. To put the matter in focus, I have put on the record some excerpts from the report of the Tanners Association of Canada.

I suggest that we will have to develop new Canadian industries. I feel that what we have to do is to put much more money into research. I am sure the minister realizes as well as I that it was the United Kingdom that developed the United States and its industrial complex. The United Kingdom also developed Canada. In about the year 1926, if my memory serves me correctly, investments from the

United States and the United Kingdom were roughly equal. Then, the flow of investment capital from the United States into Canada became greater and greater while that from the United Kingdom fell off. It is also interesting to note that United Kingdom investment was mostly portfolio investment, including railways, canals and other investments of that type, whereas U.S. investment went into industry in Canada. Had it not been for this situation, the people of Canada today would probably be accepting half the standard of living they presently enjoy. There would have been a Chinese wall along this 5,000 mile boarder that separates us from the U.S.

If with all our great natural resources which the United States craves for—and we have the resources that the U.S. is growing short of—we cannot do the necessary research in this country to develop the particular products that are peculiar to our resources and which other countries have been unable to develop, then I suggest there is something wrong with us. The minister knows as well as I do that if you spend the required amount of money on research and you have the right men, you will be able to market products you can sell to the world.

This is what I conceive we should be doing. We should be spending much more money and using our educated young people, many of whom today are walking the streets hunting for jobs as research workers. If they are insufficiently trained, then we should send them back to school and make researchers out of them. To date we have depended on the United States to do the research for us. U.S. subsidiaries operating in Canada largely depend on their parent companies in the United States for research.

I was talking to a manufacturer the other day in my constituency who told me: "Ten years ago when we needed some money, a time when we employed less than 100 people in our factory, do you know where we had to get it? We had to go south of the border to our parent firm. We got the money and today we are employing 600 people". I can see no reason why we should not talk to the United States, tell them that we have the resources, that they have the know how and the industrial base, so let us work this out to the benefit of both of us. We are neighbours by geography, and historically we are blood related. You have the French descendants in the New England states, whereas in other parts you have Anglo-Saxon descendants. Why do we not sit around a table and work out what is in the best interests both of Canada and the United States? I think this could be done, and must be done.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am very pleased to be rising at this time to conclude the debate on second reading. It has been a debate which I think all members have sensed to be a rather dramatic occurrence. I listened to the various speeches for their thoughtfulness and for their imagination as well. I think we all sensed there was an emergency with regard to foreign investment, and I think there is a general disposition on the part of the House to regard this measure as timely.

I was particularly struck by the amount of common ground that exists between the various parties. This is as it should be, since this is a question of national concern. For instance, there is general agreement that a problem does exist and that something should be done about it. There is even a large measure of agreement on the general policy approaches which should be taken. Various speakers have alluded to the economic policies that Canada should have—policies with respect to the pursuit of full employment; policies with respect to encouraging Canadian savings and entrepreneurship. The hon. member for Trinity (Mr. Hellyer) referred to these matters, and so have others on both sides of the House.

The hon. member went on to emphasize, as did the previous speaker from Simcoe North (Mr. Rynard), the importance of research and development which is undertaken in Canada. He referred to the need for flexibility in our financial institutions and to efforts to increase our exports. Without wanting to sound immodest, I think hon. members could have found all those particular policy thrusts in my own statement on second reading when I introduced this bill.

Perhaps it might be worth mentioning that the economic background to the development of Canada and to foreign investment policy has to be seen, from our vantage point, as one of the key elements in a coherent set of industrial policies for Canada. Some would use the phrase, "the industrial strategy" which covers the broad band of policies.

Let me refer to one or two of the items which were alluded to. For example, entrepreneurship. The government has adopted a two-fold approach in this area, one relating to financing and the other to the development of managerial and entrepreneurial capability. On the financing side, the government has introduced programs such as the general adjustment assistance program, GAAP, and the defence industry productivity program, DIP. Then, we have the operations of the Industrial Development Bank which are under review by the government. Special additional measures are also contemplated in relation to the financing of small business. On the management side, the government is thinking of expanding, indeed, doing more than that, is planning its counselling assistance to the small enterprises program, CASE, which was introduced a year ago in Montreal and subsequently in Winnipeg. I would hope that during this fiscal year it will be introduced in a number of centres across the country.

• (1750)

I would refer as well to the question of support for research and development to which the hon. member for Simcoe North referred. We do have a substantial government assistance program for the advancement of industrial technology, PAIT, the Industrial Research and Development Incentives Act, IRDIA, shared on a 50-50 basis, as well as the Industrial Design Assistance Program. The Industrial Research and Development Incentives Act allows for outright grants in respect of new industry or innovative research.

As the Minister of State for Science and Technology I announced a year ago the government's new policy on contracting out research and development projects previously undertaken by the private sector. In other words, we are giving the private sector an opportunity of learning from research efforts by the government. In this way we are assisting in the development, if you like, of a distinct

Canadian competence, and in this sense I refer to the Export Development Corporation bill which is presently before this House. Indeed, it was referred to the standing committee which has had its first meeting. That represents a major program for the expansion of exports.

While there is some common ground, as I have indicated, there are also some major differences. This is a debate on foreign investment in Canada. I was struck by the fact that the hon. member for Trinity (Mr. Hellyer) managed to avoid any reference in his policy proposals to measures directed specifically at foreign investment. Is his a foreign investment policy without measures to deal with foreign investment? There was not even the usual reference found in Conservative statements to a need for additional key sectors.

As I pointed out in introducing this bill for second reading, it is important to have measures to support the development of strong Canadian owned and controlled companies. That is the first pillar of Liberal policy. It is also important that the government has the means to ensure that needed foreign investment brings maximum benefits to Canada. The Conservatives appear to have no answer on that point. Bill C-132 does. I must also confess to some surprise and disagreement with the Conservative espousal of the buy back of Canadian industries. We must increase our trade surplus, said the hon. member for Trinity, in order to generate the capital to repatriate Canadian industry. However, as I pointed out in my earlier remarks, there are grave problems to this approach.

Let us leave aside for the moment the massive amounts of capital involved. What are we to do about the other problems? Why buy back the past instead of building for the future?

There is common ground between myself and the hon. member for York South (Mr. Lewis).

Some hon. Members: Hear, hear!

Mr. Gillespie: There is, for example, some substance to his comment that Conservative answers all involve some form of tax concession, or some other form of incentive directed toward the public purse. Positive incentives have a role to play and, as I have indicated, the government has used them where necessary, but to rely solely on these incentives is to admit the bankruptcy of that policy.

The NDP has given notice that it will seek to strengthen the bill in committee in three respects: Increasing the coverage of the screening agency; amending the presumption of non-eligibility back to the 5 per cent and 20 per cent as in the old takeover review bill, and have the entire bill proclaimed at the same time. According to the hon. member for York South, screening powers should be extended to cover imports of parts and components, exports of raw materials, export agreements between affiliates of multinational enterprises, and the expansion of existing foreign controlled corporations in Canada into areas related to present lines of business.

Let me say that there may be some misunderstanding about the proposal now before this House. As I and my predecessor have made clear on a number of occasions, in looking at whether a proposed investment will result in significant benefits to Canada, the government will look at procurement policy, export policy and further processing to ensure that to the maximum possible extent economic activity which can rationally be carried out here in fact takes place here. These considerations go to the heart of the screening process.

This is not to say that the screening process will examine every purchase contract, every export contract and every sale of Canadian resources. Just to state this possibility is an indication of how impossible it is. Billions of dollars of exports and imports between affiliate companies across our borders every year are being carried out under thousands of contracts. It is inconceivable to me that the government could contemplate setting up a bureaucracy to screen every such transaction. Business and the economy would grind to a halt in that event.

Mr. Speaker, in the one minute left to me I would just like to refer to one criticism that has been raised, that there is no screening of the expansion of existing foreign-controlled firms already in business into related areas of activity. As the hon. member for Windsor-Walkerville (Mr. MacGuigan) pointed out, there are some horrendous administrative problems in this regard. Perhaps this explains why other countries have shyed away from this type of action.

I have indicated on a number of occasions that the proclamation of this part of the bill, and this is another criticism which has been suggested, should take place within a year of passage of the takeover provisions. It seems to me entirely sensible to proceed in this orderly step-by-step manner when introducing this policy which will affect all sectors of the economy. As Aristotle said "Well begun is half done".

Mr. Baldwin: Are you sure it was Aristotle?

Mr. Gillespie: There will be an opportunity when the bill is before the standing committee to deal with a number of other aspects. The one point I would like to make to hon. members this afternoon is that this is not a policy of negative nationalism, this is rather a policy in support of the Canadian attitude and in support of Canadians running, managing and developing their own economy. I look forward to the discussions in the committee.

The Acting Speaker (Mr. Laniel): In accordance with the order accepted previously today, it is my duty to put the question at this time. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Laniel): It being six o'clock, this House stands adjourned until tomorrow at two o'clock p.m.

At six o'clock the House adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, April 5, 1973

The House met at 2 p.m.

SPRING!

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I suppose it is a bit unusual for a "Rose" to be part of a daffodil promotion; nevertheless I am pleased to be part of the traditional rite of spring in the House that heralds its coming in British Columbia and is announced by making flower children of all hon. members.

The Bradner daffodil growers of my riding, who donated these blooms, regret that spring is a little late this year and hope that next year the presentation can be made in late January or early February when the blossoms are usually at their peak.

Some hon. Members: Hear, hear!

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF COMMISSION FOR PROVINCE OF NEWFOUNDLAND, 1973

Mr. Speaker: It is my duty, pursuant to Section 19 of the Electoral Boundaries Readjustment Act, Chapter E-2, Revised Statutes of Canada, 1970, to lay upon the table of the House a certified copy of the report of the Electoral Boundaries Commission for the province of Newfoundland, 1973.

ROUTINE PROCEEDINGS

UNEMPLOYMENT INSURANCE

METHODS OF BENEFIT CONTROL OFFICERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion concerning a matter of urgent and pressing necessity, namely, that benefit control officers of the Unemployment Insurance Commission are using devious methods to disqualify immigrants who are not fluent in one of the official languages from unemployment insurance benefits. Such methods are unacceptable to Canadians and, indeed, as far as this party is concerned are very repugnant. I therefore move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That the question of methods used by benefit control officers of the Unemployment Insurance Commission to exclude immigrants who do not speak an official language from unemployment insurance benefits be referred to the appropriate standing committee for investigation and report to the House.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

VETERANS AFFAIRS

DIFFICULTIES IN MEETING LAND ACT REQUIREMENTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under Standing Order 43 on a matter of urgency. The vast increases in the cost of land and housing are causing serious restrictions for some 125,000 war veterans who hold qualification certificates in meeting the requirements under the Veterans Land Act. This difficulty is emphasized by the acreage requirement, the limits on loans available, and the high down payment required. In order to bring legislation in line with the needs of the veterans, I move, seconded by the hon. member for Halton-Wentworth (Mr. Kempling):

That the government immediately appoint a committee, consisting of members of the department, officials of the veterans land administration and veterans organizations, to study these matters with specific consideration given to removing the October, 1968, and March, 1974, deadline restrictions, and that the report be referred to the Standing Committee on Veterans Affairs within three months.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

REGIONAL ECONOMIC EXPANSION

APPEARANCE OF MINISTER BEFORE COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the fact that a motion was passed in the Standing Committee on Regional Development this morning deploring the failure or unwillingness of the minister to appear before the committee, among other things, I ask unanimous consent to

move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez):

That this House call upon the Minister of Regional Economic Expansion to appear before the Standing Committee on Regional Development at its next sitting.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

COMMUNICATIONS

REFERENCE OF POLICY PAPER TO COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, in view of the fact that the recent green paper outlining proposals for a communications policy for Canada explicitly draws attention to the growing inability of the Canadian Transport Commission to reflect the interests of Canadian consumers in regulatory hearings, and because this criticism bears directly on the validity of the rate increases awarded to Bell Canada, under the provisions of Standing Order 43 I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the paper on "A Proposed Communications Policy for Canada" be referred to the Standing Committee on Transport and Communications.

Mr. Speaker: This motion also requires unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Some hon. Members: Agreed.

Mr. Speaker: There is not unanimity.

An hon. Member: Who said "no" over there?

* * *

• (1410)

[*Translation*]

SOCIAL SECURITY

REPRESENTATION OF PARTIES AT FORTHCOMING FEDERAL-PROVINCIAL CONFERENCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

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

In view of the minority situation of the party in office and the ever growing importance of social security throughout this country, I move, seconded by the hon. member for Villeneuve (Mr. Tétrault):

That a representative of each of the parties in this House accompany the Minister of National Health and Welfare at the federal-provincial conference of the Ministers of Social Affairs.

[Mr. Knight.]

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent. The hon. member's motion cannot therefore be put.

* * *

[*English*]

MARRIED WOMEN'S PASSPORT BILL

PROVISION FOR ISSUANCE OF PASSPORT IN NAME ON BIRTH CERTIFICATE

Mrs. Grace MacInnis (Vancouver-Kingsway) moved for leave to introduce Bill C-173, respecting a passport issued to a woman who is married.

An hon. Member: Explain.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, this bill is about sexual equality. Its purpose is to make it possible for a woman who is married to have the same right as a man by enabling her to have a passport issued to her in the name which is set out on her birth certificate should she so desire.

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

ORAL QUESTION PERIOD

ENERGY

NATURAL GAS—DIFFERENCES BETWEEN ALBERTA AND ONTARIO—STATEMENT BY MINISTER—GOVERNMENT POLICY AND ROLE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the Minister of Energy, Mines and Resources was stating government policy last night when he indicated that the federal government does not have any role with regard to any potential differences that may exist between the province of Alberta and the province of Ontario over certain energy matters.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, perhaps I could respond to that question. I did not use the terminology and phraseology referred to by the hon. member. Rather, I indicated that we did not want to get into the middle of the acrimony which was developing between—

Mr. Speaker: Order, please. The minister will appreciate the difficulty the Chair is faced with. When there is allusion in a question to a statement made outside the House it is recognized practice that the inquiry should be limited,

as was done by the Leader of the Opposition, to asking the Prime Minister whether the alleged statement represents government policy.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did spend some time with the minister yesterday afternoon discussing this very question. I was sure he would say he did not make the statement which is attributed to him.

Mr. Stanfield: Mr. Speaker, I have a supplementary which I shall direct to the Minister of Energy, Mines and Resources. Is it the position of the minister on behalf of the government that the government of Canada does not have any role with regard to the potential differences that exist over certain matters between the provinces of Alberta and Ontario?

Mr. Macdonald (Rosedale): Mr. Speaker, certainly the government of Canada does not have any role to get in the middle, as I was about to say, of any acrimony publicly between two premiers. However, we believe it would be desirable to have private consultation with the interested parties in this particular matter. I am looking forward to having such consultation to see whether we can bring together the consumer and producer interests involved in this matter and arrive at a mutually satisfactory settlement.

Mr. Stanfield: Mr. Speaker, is it the minister's position that any such differences should be settled before any general national conference or any general national consultation takes place with regard to energy policy?

Mr. Macdonald (Rosedale): That certainly is the insistence of the premier of Alberta. It seems to me that the situation of future planning by the Trans-Canada Pipelines in particular will require that the outstanding issues be resolved at an early date. Therefore I think the timing of the matter does indicate that before we can have a general federal-provincial discussion and a full scale meeting for that purpose we will have to arrive at some agreement on the current and immediate issue.

Mr. Stanfield: Is it the minister's intention or the position of the government that the National Energy Board should have any role to play or have any jurisdiction with regard to the regulation of any such disputes in the future?

Mr. Macdonald (Rosedale): The jurisdiction of the National Energy Board is set out under the statute. What is involved here is really a substantial change in the base price of gas which until now has not been a subject of the board's consideration. I think that the slightly longer term question is the kind of question that should be involved in the over-all energy discussions in due course.

COMMUNICATIONS

BELL CANADA RATE INCREASES—INQUIRY AS TO GOVERNMENT DECISION ON TRANSPORT COMMISSION ORDER

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Communications. In view of the fact that Bell Canada tabled its proposed new tariffs with the Canadian Transport Commission a day or two ago and therefore time is of the essence with regard to any decision by the government, may I ask the minister whether the government has made a decision on the order of the Canadian Transport Commission and, if so, whether the minister intends to make any statement to parliament on the matter?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Yes, Mr. Speaker, the government has taken a decision and I shall announce it to the House tomorrow morning in a statement on motions.

* * *

[*English*]

ENERGY

NATURAL GAS—DIFFERENCES BETWEEN ALBERTA AND ONTARIO—COMMUNICATION BETWEEN MINISTER AND PREMIERS ON POSSIBLE PRIVATE MEETINGS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I should like to ask a supplementary to the questions that were put to the Minister of Energy, Mines and Resources by my leader. Have you specifically been in touch with the premiers of Ontario and Alberta with respect to—

Mr. Speaker: Order, please. The hon. member should address his question to the Chair even if it is a supplementary. The Chair accepts even supplementary questions.

Mr. Stevens: Thank you, Mr. Speaker. Perhaps the minister could answer my question whether he has in fact been in touch with either premier concerning his suggested private meetings.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, with the responsible ministers and in one case with the responsible parliamentary assistant.

NATURAL GAS—DIFFERENCES BETWEEN ALBERTA AND ONTARIO—REQUEST FOR STATEMENT ON GOVERNMENT POSITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question. Would the minister consider making a statement to the House on motions stating, I hope clearly and concisely, what the federal government's position is, if it has one, with regard to the proposals made and the constitutional position taken by the two provinces?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have pursued that in the

standing committee. Perhaps the hon. gentleman would like to peruse the proceedings there.

* * *

UNEMPLOYMENT INSURANCE

BENEFIT CONTROL—ALLEGED USE OF IMPROPER METHODS BY OFFICERS IN OBTAINING STATEMENTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the minister responsible for unemployment insurance. It arises as a result of statements made regarding questionable actions of benefit control officers. In view of the fact that Parkdale Community Legal Services has charged that "it is clear the benefit control officers have been coached in methods of extracting statements that are damaging to the claimant", would the minister issue instructions in no uncertain terms that such practice is to be discontinued immediately?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have already done so. I might say that I welcome the report of Parkdale Community Legal Services, as does the chairman of the advisory committee of the Unemployment Insurance Commission to whom it was directed. The chairman assured me this morning that the committee will contact the people who prepared the report and look into the activities of the unemployment insurance commission which were criticized by them, with protection of any claimants involved, as part of the advisory committee's over-all examination of the benefit control operation.

Mr. Alexander: Pending receipt of and action taken on the report and recommendations, if any, of the advisory committee, will the minister assure the House and advise benefit control officers that no interviews or statements related thereto will be used in considering disqualification unless and until claimants have been informed of their rights, the purpose of the interview and how the information they offer will be used? Can the minister give us that assurance pending receipt of this report?

• (1420)

Mr. Andras: Mr. Speaker, that is the intention of my instructions to the Unemployment Insurance Commission in the past.

BENEFIT CONTROL—INQUIRY AS TO TIGHTENING OF INTERPRETATION OF "SUITABLE WORK" AND SECRET ADMINISTRATIVE DECISIONS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I would like to direct a supplementary question to the Minister of Manpower and Immigration. Has the Unemployment Insurance Commission in the past three months tightened up its interpretation of "suitable work", and have there been any new and secret administrative decisions taken recently about which parliament and the public have no knowledge?

[Mr. Macdonald (Rosedale).]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I would say the answer to that is no. The benefit control operation was introduced in June or July of last year and has been continuing with certain refinements, about which I have advised the House, since that time. So I do not think the allegation is correct.

Mr. Rose: Since the previous minister of manpower and immigration defended the new UIC program on the grounds that more generous benefits took the load off provincial and municipal welfare expenditures, has there been any change in policy deliberately to transfer desperate UIC claimants, and the cost associated with them, to the provincial and municipal welfare rolls?

Mr. Andras: Very definitely no.

REQUEST FOR REOPENING OF OFFICES IN RURAL AND SMALL TOWN AREAS

Mr. Heward Grafftey (Brome-Missisquoi): I have a supplementary question, Mr. Speaker. Will the minister now reopen UIC offices that were shut in rural and small town areas in order to assure the House that the thousands of Canadians now unfairly disqualified in these areas, and who are available for work, will have their claims processed fairly and promptly?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, without accepting the premise of the hon. member's question, I have indicated before and I indicate again that a reorganization of the commission is pending and should be announced shortly.

Mr. Grafftey: As a supplementary—

Mr. Speaker: Order, please. I see 15 members who are seeking to ask supplementaries. We will not have that many. The Chair will recognize two or three, and if hon. members then want to have a debate on this subject we can use the rest of the question period. For the moment the Chair recognizes the hon. member for Brome-Missisquoi.

Mr. Grafftey: Will the minister inform the House how the UIC offices for these areas know if a man is available for work when the offices are over 70 miles away from where he lives and there is no liaison with the local placement officers?

Mr. Andras: If the hon. member will give me specific examples I will look into them and advise him later.

* * *

ENERGY

PROPOSED NUCLEAR REACTOR DEVELOPMENT ON STODDART ISLAND, N.S.—NEGOTIATIONS WITH DEPARTMENT—MEETING OF SAFETY STANDARDS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. It has to do with reports

that in all likelihood negotiations are going ahead for the development of what has been described as the world's largest nuclear reactor at Stoddart Island off the coast of Nova Scotia. First of all I want to ask whether or not at this point in time there have been any negotiations between the developers of that project and his department and, if so, is the minister satisfied that the reason for their coming to Nova Scotia is legal difficulties in the United States, and are the safety standards involved in the building of a plant of this magnitude being met by the developers?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have not participated in any such discussions and I am not aware that there have been any recently. I would remind the hon. gentleman that the Atomic Energy Control Board has jurisdiction from parliament to control any such installation and that the board has expressed its reservations about the safety of the American-type reactor. On that basis, and using the question of the hon. gentleman for the purpose, I might remind interested parties that the board would have to be satisfied about the safety of any reactor.

* * *

INCOME TAX

REPORTED ILLEGAL AVOIDANCE OF TAXES BY CHRYSLER CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of National Revenue. In view of the report that Chrysler Canada has illegally avoided paying taxes totalling approximately $34 million for 1967-68 by inappropriately claiming losses which accrued to its dealers, will the minister inform the House whether or not his department has investigated this and, if so, would he inform the House what his decision has been on the matter?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I think the hon. member knows that it would not be proper for me to discuss any individual tax case here.

Mr. Broadbent: In view of the seriousness of the charge respecting this major tax evasion, would the minister table any copies of letters between the Chrysler Corporation and the internal revenue service of the United States on this subject, which I am informed are in his department?

Mr. Stanbury: Mr. Speaker, I have no knowledge of any such correspondence and I am not certain that tabling it would be proper either, but I will be glad to look into the matter.

Mr. Broadbent: Would the minister inform the House whether any present member of the cabinet has interceded on behalf of Chrysler Corporation on this matter?

Mr. Stanbury: Not with me, Mr. Speaker.

Mr. Speaker: Order, please.

[*Translation*]

SOCIAL SECURITY

REPRESENTATION OF PARTIES AT FORTHCOMING FEDERAL-PROVINCIAL CONFERENCE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in the absence of the hon. Minister of National Health and Welfare, I should like to address my question to the right hon. Prime Minister.

In view of the federal-provincial conference which is to take place in the near future for the purpose of reviewing the whole question of social security in Canada, does the hon. Prime Minister intend to invite representatives of all political parties sitting in the House to participate?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not believe a decision has been made as yet as to whether the conference will be *in camera* or public.

If it is public, we shall probably, as usual, reserve seats for observers, and members of the political parties represented in the House will have priority over the general public.

[*Later:*]

FAMILY ALLOWANCES—PRIORITY ON AGENDA OF FEDERAL-PROVINCIAL CONFERENCE

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to direct a supplementary to the right hon. Prime Minister.

Since the federal-provincial conference is to take place on April 25, 26 and 27, and since the Quebec Minister of Social Affairs intends to take part, would the Prime Minister say whether the question of family allowances will have priority in the upcoming discussions?

Right Hon. P. E. Trudeau (Prime Minister): There may have been a mistake, Mr. Speaker, and I am sorry if there has, but I thought the hon. member was referring to the first ministers' conference.

If this is his question, the answer is that the agenda has not yet been drawn up. If the hon. member is referring to the matter of the welfare ministers' conference, I would ask the parliamentary secretary to answer. But first let us find out if I have got the question right.

Mr. Latulippe: Mr. Speaker, my question is about the coming federal-provincial conference, which is to take place on April 25, 26 and 27. It is a conference of health and welfare ministers.

[*English*]

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the whole purpose of the federal-provincial conference of welfare ministers is to discuss an over-all review of all welfare programs, and in the area of social security family allowances form a very important part and they will certainly be discussed at that conference.

Oral Questions

FINANCE

COLLECTING OF CERTAIN COINS BY AMERICANS FOR MELTING IN UNITED STATES BECAUSE OF SILVER CONTENT—GOVERNMENT ACTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, yesterday I brought to the attention of the Minister of Finance what I termed a racket whereby Americans come to Canada, gather up our silver coins, take them to the United States and then melt them and make a very large profit. Will consideration be given to an order in council being brought in, similar to the one in effect in 1970 and set aside in 1971, to prevent this racket continuing?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, at the instance of my colleague, the Minister of Industry, Trade and Commerce, an order in council was passed by the government this morning under the Export and Import Permits Act placing silver coinage bearing pre-1968 date on the export control list.

Mr. Diefenbaker: Mr. Speaker, I commend the minister for the alacrity with which action was taken. Can he give any general idea of the amount that may be exported without having a permit? Has he that information available at the moment?

Mr. Turner (Ottawa-Carleton): It would be very difficult to trace, Mr. Speaker, because the purpose of this type of export would be to melt down the silver. I cannot give any more information to the right hon. gentleman who on this issue has been as bright as a silver dollar.

* * *

UNEMPLOYMENT INSURANCE

BENEFIT CONTROL—ALLEGED USE OF IMPROPER METHODS BY OFFICERS IN OBTAINING STATEMENTS—INVESTIGATION BY ADVISORY COMMITTEE

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Manpower and Immigration and is supplementary to that asked by the hon. member for Hamilton West. In view of the statement by Parkdale Community Legal Services that unemployment insurance benefit control officers are using unacceptable methods to exploit immigrants who do not speak English very well as a method of disqualifying them, will the advisory committee be conducting a detailed investigation into this aspect before it reports to him?

• (1430)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I would find such activity on the part of benefit control officers to be as reprehensible as the hon. member finds it. As I indicated in my previous answer, the allegations of Parkdale Community Legal Services are to be investigated by the advisory committee and contact is being made by the chairman of the advisory committee with the people who prepared the report.

[Mr. Cafik.]

BENEFIT CONTROL—CONSULTATION WITH LABOUR LEADERS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I have a supplementary question for the minister. Will the minister say whether or not his department plans to get together with leaders of the labour movement with a view to working out some agreement in this matter that will be acceptable to all parties?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, of the members of the advisory committee four are representatives of the labour movement. They are working diligently with the four representatives of management under the direction of their capable chairman, Mr. Anatole Lesyk.

* * *

POWER

PROPOSED FLOODING OF SKAGIT RIVER VALLEY—NATURE OF AGREEMENT WITH UNITED STATES RESPECTING POWER PROJECT—CANADIAN POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of the Environment. On April 3 the Minister of the Environment said, concerning the Skagit River, as found on page 2943 of *Hansard*:

> We have now had a reply from the United States State Department officials. They agree, in principle, to the convening of a meeting or a series of meetings with the two principal parties with a view to terminating a longstanding contract.

Yesterday Mr. Vickery, superintendent of Seattle City Light, held a press conference and stated that he had been assured by Rufus Smith, United States Undersecretary of State for Canadian Affairs, that no agreement has been reached to end the project.

Mr. Speaker: Order, please. A question should not be posed in those terms. I think the hon. member might like to come to his question now.

Mr. Fraser: Thank you, Mr. Speaker. Can the minister tell the House whether the United States government has officially assured the government of Canada that the only question to negotiate is the question of compensation?

Hon. Jack Davis (Minister of the Environment): No, Mr. Speaker, I cannot give that assurance to the House. The main purport of the statement I made was that an agreement had been reached between the two countries to hold meetings between the principal parties, British Columbia and Seattle City Light, with the purpose from our point of view, of terminating the agreement.

Mr. Fraser: Today Mr. William Johnson of the United States Embassy advised me that the official American position is that of Seattle City Light. In view of that, can the minister assure the House that Canada has delivered to the United States government notice that Canada will not permit the flooding?

Mr. Davis: Yes, Mr. Speaker.

Mr. Speaker: The hon. member for Broadview? The hon. member for Nickel Belt.

* * *

UNEMPLOYMENT INSURANCE

BENEFIT CONTROL—POLICY RESPECTING LANGUAGE CAPABILITY, OTHER THAN ENGLISH OR FRENCH, OF OFFICERS IN CERTAIN AREAS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. In view of the fact that many areas in Canada have large immigrant populations whose language is neither French nor English, can the minister advise the House as to the policy of his department with respect to language capability of benefit control officers in those areas?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this matter is being given attention, and to the degree practical and possible language services other than French and English are being provided to where claimants have difficulty in understanding.

Mr. Speaker: Is the hon. member for Hamilton Mountain rising on the same question?

REGISTRATION REQUIREMENTS FOR TRADESMEN IN ORDER TO RECEIVE BENEFITS—ALLEGED EXPULSION THREAT BY UNIONS IF NON-UNION JOB ACCEPTED

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I am not going to talk about the two official languages. My question is for the Minister of Manpower and Immigration. Is it the policy of the government that an unemployed tradesman simply has to register with the Unemployment Insurance Commission and his local union in order to receive benefits, or does he also have to register with Manpower and seek work himself?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, first of all he has to qualify under all the regulations and rules of the Unemployment Insurance Act, but he has to register with the Manpower centre in his area and he is requested to seek work beyond any reference by Manpower. The general practice, where this exists, is to go through union hiring halls and this is acceptable except where the extension of unemployment is very long and where there are identified jobs for which he is capable. Then there will be other directions given to him.

Mr. Beattie (Hamilton Mountain): Is the minister aware of the muscle being exerted by international unions, with threats of union expulsion if a tradesman accepts a non-union job in a related field? If so, in such cases does the Unemployment Insurance Commission allow these persons to continue to receive benefits after they have refused employment because of their fear of being expelled from their union?

Mr. Andras: Mr. Speaker, there is protection in the act for union members and the rules and regulations under which membership is maintained, but where they are on extended benefits and their unemployment has lasted an inordinately long time, they are requested to take jobs beyond those referred to them by the union hiring hall.

Mr. Beattie (Hamilton Mountain): Can the minister not answer my question?

Mr. Speaker: Order, please. I will again give the hon. member for Broadview a chance to ask his question. I am not sure whether he wants the floor.

* * *

HOUSING

ACTION TO CONTROL RENTS IN LIMITED DIVIDEND PROJECTS

Mr. John Gilbert (Broadview): Thank you, Mr. Speaker. So many are jumping up that I am sure you have trouble in seeing me. My question is directed to the Minister of State for Urban Affairs. In view of the fact that the intention of the limited dividend provisions of the National Housing Act is to provide low rent for persons with low incomes, and in view of the fact that the limited dividend group of the Dufferin project in the city of Toronto have advised the minister that their rents are as high, if not higher, than those of similar projects in the same area financed by private owners, what steps does the minister intend to take to lower the rents of persons in limited dividend projects?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the purpose of the limited dividend program is to limit the return of the owner of the buildings and thereby provide housing at slightly less than market prices. However, the owners are entitled under the terms of the mortgage agreement to charge through rents for actual increases in costs. I have not yet seen the representations the hon. member refers to but I will get them out forthwith and examine that particular case. Of course, I have also instructed CMHC, as the hon. member knows, to examine all applications for expense increases as strictly as possible.

* * *

NATIONAL REVENUE

INTENTION RESPECTING CUSTOMS SERVICE AT SIDNEY, B.C.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, may I address a question to the Minister of National Revenue. He is aware of the nature of my question because of the discussions we have had about it. Will the minister say whether he plans to continue or discontinue the customs service for parcels and other commercial consignments that has been enjoyed for so long by the businessmen of Sidney, British Columbia.

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, as I have indicated to the hon. member previously, there will be no change made in the substance of that service without discussing it further with him and with the Chamber of Commerce of Sidney and Saanich, as I believe the area is known. There is no suggestion of removing the service.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker—

Mr. Speaker: Order, please. If there are to be further questions, I suggest to the hon. member that they should be placed on the order paper.

* * *

CANADA DEVELOPMENT CORPORATION

POLICY RESPECTING MOVING OF HEADQUARTERS TO VANCOUVER

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Prime Minister. On November 29, 1971, the right hon. gentleman announced in the House that the Canada Development Corporation would have its headquarters in Vancouver, British Columbia, within two years. Is that still the policy of the government, and when may we expect the corporation to have its headquarters in Vancouver?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government has not changed its policy since I made the announcement in that regard.

Mr. Reynolds: Can the Prime Minister announce when the Canada Development Corporation will be moving its headquarters to Vancouver since there is such a short time between now and November and because it will mean, as the Prime Minister stated, the creation of hundreds of jobs for British Columbians?

* * *

GOVERNMENT ADMINISTRATION

SUGGESTED MOVING OF SOME SERVICES TO ALBERTA

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Prime Minister. Yesterday the Prime Minister said he wanted to continue the policy of decentralizing government services. Is he giving any consideration to moving government services to or developing them in western Canada, specifically Alberta?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, such decentralization has already been brought about in the case of Alberta and of other provinces too.

* * *

CRIMINAL CODE

REQUEST THAT ABORTION BE REMOVED

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of Justice. In view of the fact the Criminal Code requires that abortions be performed only in accredited or approved hospitals and with the sanction of a hospital board, and because in many areas the refusal of hospitals to establish such abortion boards creates a situation where other hospitals are overloaded or where women must travel to other provinces or other countries to seek an abortion or fall into the hands of illegal or incompetent practitioners, will the government consider removing abortion from the Criminal Code, thus making possible the establishment of clinics where legal abortions can be performed by competent physicians?

Mr. Speaker: Order, please. The hon. member's time has expired.

Some hon. Members: Oh, oh!

Mr. Speaker: The minister might be allowed to reply briefly to the hon. member's address.

• (1440)

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker, we do not intend to take action to remove it from the Criminal Code.

Some hon. Members: Hear, hear!

Mr. Lang: I should add that I do not see anything in the Criminal Code that requires any hospital or individual to participate in abortions.

Mrs. MacInnis (Vancouver-Kingsway): May I ask whether the minister will at least consider honouring the promise of his predecessor that parliament would be given an opportunity to debate this matter?

Mr. Lang: Mr. Speaker, several years have gone by since that time. In that interval a good deal of debate has occurred in the country and I am not sure whether any fruitful purpose would be served by a debate in the House at this time.

* * *

VETERANS AFFAIRS

SUGGESTED EASING OF RESTRICTIONS UNDER VETERANS LAND ACT BECAUSE OF INCREASED COST OF LAND AND HOUSING

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to direct my question to the Minister of Veterans Affairs. In view of the fact the present provisions of the Veterans Land Act are not keeping pace with the vast increase in the cost of land and homes, will the minister advise what consideration is being given to relieving the restrictions being faced by veterans who hold qualification certificates?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, this would be a matter of government policy. If any changes are to be made, they will be announced in due course.

Mr. Marshall: In view of the vast increase in the cost and size of the land required by veterans, will the minister take the necessary action to relieve the acreage payment under the act by reducing the limitation of one half acre less 20 per cent for veterans who qualify?

Mr. MacDonald (Cardigan): Mr. Speaker, this would also be government policy which would be announced in due course.

* * *

[*Translation*]

EXTERNAL AFFAIRS

VIET NAM—RESUMPTION OF HOSTILITIES—SECURITY OF CANADIAN OBSERVERS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs.

In the light of reports of an intense renewal of hostilities in Viet Nam, could the minister inform the House as to the present position of the Canadian observers, especially with regard to their safety, and could he tell us if he is considering any changes?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have received from the government of the Republic of Viet Nam a protest against the activities of the communist forces in that area. This has been addressed to us not as a member of the International Control Commission but as a member of the International Conference on Viet Nam. In other words, this protest has been made to all parties to the conference. The commission itself is continuing to try to carry out its responsibilities under increasing difficulties, but we have not yet had any advice that in their view it is necessary to withdraw from any place in which they are now located.

* * *

FISHERIES

INQUIRY RESPECTING REQUESTS BY PROVINCES OR PROCESSORS TO WITHDRAW FROM FRESHWATER FISH MARKETING CORPORATION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is to the Minister of Fisheries. In view of the fact many fish processors suffered losses in last year's operations and there are many unanswered questions with regard to the financial state of the Freshwater Fish Marketing Corporation, has the minister received any request from any processor or province to withdraw from the Freshwater Fish Marketing Corporation?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, other than the corporation itself, it is not true that either the fishermen or the fish buyers lost money. The financial loss is confined mainly to the corporation.

Mr. Korchinski: Mr. Speaker, I rise on a point of order. My information is that the Co-op Fisheries of Saskatchewan lost $108,000 last year.

FLOODS

LAKE ONTARIO—REQUEST FOR PROVISION OF SANDBAGS TO PROPERTY OWNERS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of the Environment. Because of many instances of urgent need for sandbags to cope with high water levels of Lake Ontario and the Bay of Quinte, will the minister and his department take action to make sandbags available to property owners whose premises are presently threatened with flooding in this emergency?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the property owners should look for this help to the levels of government to which they pay property taxes.

Mr. Alkenbrack: Mr. Speaker, I remind the minister that these waters are under national jurisdiction.

Mr. Speaker: Order, please.

* * *

INDIAN AFFAIRS

LAND USE PERMIT TO COMINCO AT WRIGLEY—SUGGESTED MORATORIUM ON DEVELOPMENT UNTIL LAND CLAIMS SETTLED—STATEMENT ON ABORIGINAL RIGHTS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of the recent press statement by the Indian Brotherhood of the Northwest Territories which mentions the sham the government went through in granting a permit to Cominco at Fort Wrigley against the wishes of the band and settlement councils, which resulted in the land caveat being filed, will the minister tell the House if the government is now prepared to grant a moratorium on development in the affected area until the land claims are settled?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have repeatedly invited the Indians in the Northwest Territories to choose the lands they are entitled to under treaties Nos. 8 and 11; our position in this regard is still the same. We hope they will make a choice; it is up to them to decide which lands will belong to the Indians in that area.

[*English*]

Mr. Dinsdale: In view of a press statement by the Indian Brotherhood of the Northwest Territories that a caveat over the major portion of the whole MacKenzie Valley was based on possible claims to aboriginal rights of the Indian people of the Northwest Territories, will the minister tell the House when his statement on aboriginal rights will be presented to the House?

[*Translation*]

Mr. Chrétien: Mr. Speaker, we are now working on the matter of the rights of the Indians in the provinces where

no treaties were signed. We hope to be able to discuss this problem or formulate a policy on this subject within the coming months.

[*English*]

ABORIGINAL RIGHTS—REQUEST FOR INFORMATION ON FEDERAL REPRESENTATION ON NEGOTIATING COMMITTEE—INCLUSION OF YUKON RESIDENTS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a supplementary question to the Minister of Indian Affairs and Northern Development. In reply to a question put to him by the hon. member for Kingston and the Islands last Wednesday, he said he would be announcing this week the composition of the federal half of the negotiating committee that would be negotiating settlement of the claims of the Yukon Native Brotherhood. Can he now say whether the composition of the federal side of that committee has been decided and, if so, what is it?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, there is one day left before the week is over. I hope to keep my promise before tomorrow evening.

[*English*]

Mr. Nielsen: A supplementary question.

Mr. Speaker: Order, please. There are two or three minutes left before the end of the question period. The hon. member can ask a supplementary question. The Chair will then recognize the Leader of the Opposition and the hon. member for York South and call orders of the day.

Mr. Nielsen: Can the minister assure the House that the committee will be composed of five or six members and that at least two will be drawn from nominations of the Commissioner in Council of the Yukon?

[*Translation*]

Mr. Chrétien: Mr. Speaker, at least one resident of the Yukon will sit on the negotiations committee; this will be announced in due course.

* * *

[*English*]

INCOME TAX

PROPOSED CUT IN CORPORATION RATES—INQUIRY WHETHER WAYS AND MEANS MOTION WILL BE THE SAME AS LAST YEAR'S MOTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. Can the minister inform the House whether that part of the notice of the ways and means motion relating to the proposed cut in corporate tax rates with regard to manufacturing and processing profits will be the same as the relative part of the motion arising from his—I am speaking very slowly so the minister will be sure to understand.

Some hon. Members: Oh, oh!

[Mr. Chrétien.]

Mr. Stanfield: Will that part of the motion relating to this tax be in the same words as the ways and means motion the minister tabled following his 1972 budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to analyse that statement very carefully.

Some hon. Members: Oh. oh!

• (1450)

Mr. Stanfield: Mr. Speaker, I will be very happy to have the answer tomorrow.

* * *

REGIONAL ECONOMIC EXPANSION

CIP PLANT IN TEMISCAMING—PROVISION OF ASSISTANCE TO TEMBEC TO CONTINUE OPERATIONS

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Two or three times in the last couple of weeks he has indicated that his department and the government were reaching the point of decision with respect to the application of the group known as TEMBEC to continue the operations of the mill in Temiscaming. May I ask the minister whether a decision has been reached, and can he inform the House what it is?

Hon. James C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am happy to be able to say, as I indicated earlier this week that I would, that we have reached a decision. It is one that involves government participation in a major effort to get this mill reopened.

Some hon. Members: Hear, hear!

Mr. Jamieson: There are several other parties to the agreement, as the hon. member and the Speaker will know, and there will, of course, have to be continuing negotiations to work out suitable arrangements. But if all the other pieces fit into place satisfactorily, the federal government will not impede the project but, indeed, will make a contribution toward it.

Mr. Lewis: I am glad to have the answer that the federal government will participate, but I am a little worried about the further consultations that the minister says will have to take place. In view of the fact that this attempt was put before him last November, or before his department, would the minister take steps to see to it that these consultations are completed quickly and that the mill is reopened with the least possible delay?

Mr. Jamieson: Mr. Speaker, I can certainly give that commitment. May I also add that the reason for additional consultations with the government of Quebec and the company, but particularly with the government of Quebec, is that they have made certain conditional commitments to the project and we want to be sure exactly what their nature is. I hope to meet with the appropriate minister from Quebec on Tuesday or Wednesday of next week.

Mr. Speaker: I am informed there is still one minute left before the end of the question period. The Chair will recognize the hon. member for South Shore.

* * *

FISHERIES

REQUEST FOR REPORT ON HALIFAX CONFERENCE—POSSIBILITY OF DISCUSSIONS WITH ICNAF MEMBERS ON HERRING QUOTAS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. When will a report be made available to members of parliament concerning the decisions reached following the secret two-day federal government-industry conference on fisheries problems, which concludes today in Halifax?

Hon. Jack Davis (Minister of the Environment): Within the next few days, Mr. Speaker.

Mr. Crouse: Mr. Speaker, I have a brief supplementary. Since herring overfishing was reportedly discussed at the meeting and herring landings in Nova Scotia declined by approximately one-third in January of this year compared with landings a year ago, is the minister contemplating any immediate discussions with members of the International Commission for the North Atlantic Fisheries to review the herring quotas established by the council in Rome in January, since the recommended increase—

Mr. Speaker: Order, please. The hon. member was given the floor for a brief supplementary. We have now gone beyond the end of the question period but the hon. member will be allowed to finish his question. I was hoping that it would be brief, but the hon. member has the floor.

Mr. Crouse: Mr. Speaker, to finish the question—since the recommended increase of 25,000 tons to 90,000 tons from the Nova Scotia banks means that foreign herring fishing in sub-areas 5 and 6 has increased by 50 per cent in the last two years.

Mr. Davis: Mr. Speaker, we will certainly be taking up this matter again with the other nations fishing in the North Atlantic. However, we will do so after we have had the recommendations of the fishermen and the companies.

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, could I ask the government House leader what the business is for this week and next week?

Mr. MacEachen: Mr. Speaker, today we will begin second reading of the income tax changes, followed by the Excise Tax Act and the Customs Tariff Act. Following that I shall probably call the CNR financing bill and then crop insurance.

Mr. Baldwin: Mr. Speaker, I wonder whether the minister would remind his colleague, the Minister of Finance, that by the time we come back after the Easter recess it will be almost one year since the day he brought in his last budget, and that the House would be very much obliged if the minister would speed up his cerebral processes so we could examine, before we leave for the Easter recess, the ways and means motion he still has to bring in?

Mr. Marshall: Mr. Speaker, could the House leader indicate if legislation to increase the basic rate of the pension will be introduced before the Easter recess?

Mr. MacEachen: No, Mr. Speaker.

Mr. Speaker: I believe the hon. member for Winnipeg North Centre is rising on a point of order.

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker, I should like to ask a supplementary question. Would the President of the Privy Council check with the answer given to that question yesterday by his colleague, the Minister of Veterans Affairs?

Mr. MacEachen: I would be happy to, Mr. Speaker.

• (1500)

GOVERNMENT ORDERS

INCOME TAX ACT

Hon. John N. Turner (Minister of Finance) moved that Bill C-170, to amend the statute law relating to income tax, be read the second time and referred to a committee of the whole.

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

Some hon. Members: Agreed.

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

The Deputy Chairman: Order, please. I invite members of the committee who have to leave the House to do so as quickly as possible so we may proceed. House in committee of the whole on Bill C-170, an act to amend the statute law relating to income tax.

Mr. Lambert (Edmonton West): Mr. Chairman, when Mr. Speaker was putting the question on second reading, I stood up but he continued to put the motion. There is so much hubbub in here I still am not sure whether the motion was carried on second reading, and can judge only from the fact that Mr. Speaker left the chair and the Chairman seemed to take over. Both the minister and I stood up to make statements and to carry on the debate. There is no way it could have been considered we agreed

to go into committee. I suggest that a message be sent to Mr. Speaker under the circumstances, because that was certainly not the case.

The Deputy Chairman: Order, please. The hon. member will understand that the proceeding he is referring to cannot be judged by the Chairman of the committee. If the hon. member wants the committee to report progress and to bring Mr. Speaker back into the Chair, there is only one way, as Chairman of this committee, that I can make a decision as to that to the satisfaction of the hon. member.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I would support the interpretation of what happened that as given by the hon. member for Edmonton West. If there is unanimity, perhaps we should ask the Speaker to resume the Chair.

Mr. Lambert (Edmonton West): I do not want to be very, very difficult about this, but I should like to indicate to the Chairman, as perhaps he knows as a result of occupying the Chair himself that at the particular point when proceedings in the House change it is absolutely impossible to hear what is being said by the Chair. Therefore, in view of what the Minister of Finance has said perhaps I can move that the committee rise, report progress, and that we then revert to second reading when Mr. Speaker is in the Chair.

The Deputy Chairman: I am not sure whether I understand correctly the proposal the hon. member is now making. If he wants to put a motion to the Chair, I think it should be followed up. Otherwise, there could be another solution. The practice has been that hon. members could be permitted to make speeches on the whole subject matter of the bill under Item 1.

Mr. Lambert (Edmonton West): The motion is not required to be in writing.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the committee is master of its own rules and, by unanimous consent, we are asking you to report progress in order that we might return to the second reading stage as though second reading were not given. I think that is the consensus of the committee.

Mr. Baldwin: In answer to that, Mr. Chairman, it was not the intention of this committee, sitting before as the House, that second reading should be given without an opportunity for adequate debate, and any such interpretation is not in accord with the view of the House.

The Deputy Chairman: Is there unanimous consent to the suggestion of the minister that the committee report progress in order that we might call Mr. Speaker back to the Chair?

Some hon. Members: Agreed.

The Deputy Chairman: The procedure suggested to the committee, as I understand it, is to dissolve the committee and revert to the procedure we agreed to and return to second reading stage. Is that agreed?

Some hon. Members: Agreed.

[Mr. Lambert (Edmonton West).]

Progress reported.

[*Editor's note: And the House having returned to a consideration of the motion for second reading:*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I thank you for coming back. As I explained to the Deputy Chairman, it was impossible to raise this point of order in respect of the action of the Minister of Finance (Mr. Turner) before the committee. This point of order is really raised for clarification, and is something on which Your Honour may have to take advice, or perhaps it will have to be referred to the Committee on Procedure.

This matter arises because of the unusual circumstances the House finds itself in today as a result of the so-called superseding notice of motion and a bill being presented, presumably based on that motion and having reference to notices of motions for ways and means of May, 1972 and February 19, 1973.

Standing Order 60(11) reads as follows:

> The adoption of any Ways and Means motion shall be an order to bring in a bill or bills based on the provisions of any such motion.

Quite to the contrary, the House has adopted five ways and means motions, each of which was an order of this House to bring in a bill or bills based on the provisions of such motion. On Tuesday last, the Minister of Finance introduced Bill C-170, and that is the one that is before us for consideration today. This bill is divided into three parts. The first part relates to the Income Tax Act, the second part commencing at page 110 of the present bill relates to amendments to the income tax application rules, 1971, and the third part commencing at page 136 relates to chapter 63 of the 1970, 1971 and 1972 statutes. Each of these parts of Bill C-170 relates to a different ways and means motion, yet the wording of the rule suggests there can be a bill or bills arising out of one motion, but not one bill arising out of several motions. Accordingly, I suggest to Your Honour that we have to consider whether this bill conforms to Standing Order 60(11).

The minister acted on his own motion, and without obtaining the consent of the House to suspend the application of Standing Order 60(11). As a result there is no way of raising a point of order and there is no debate at that time.

An additional oddity is that two of the motions purport to amend the same act, one part being Part III and the other Part IV. The minister has not explained why such changes were based on separate ways and means motions, and under a strict interpretation of Standing Order 60(11) he should have brought in separate bills, not an omnibus bill. The reason I raise this matter is that this is the first occasion of this kind and it may require clarification.

The second point I should like to make, and this is as a result of a combination of circumstances which originated in the inability of the government to make up its mind as to what it intended to do in proceeding with ways and means motions, relates to the presentation of two budgets. The motions were tabled as required by the rules following the presentation of the budget messages. Then, the government waited, waited and waited and finally made up its mind to bring in what the minister calls a supersed-

ing ways and means motion. This was introduced to the House on Thursday and the designated day was Tuesday. Now, we have a 110 page plus bill which was not available to the House until yesterday afternoon.

There is one question which arose in respect of a previous budget. Your Honour will well remember it as it caused grave difficulty. On that occasion, the bill that followed the passage of the motion did not conform with the terms of the motion. I have some very serious doubts about the procedure followed by the minister in this case. The quick survey I made this morning would indicate that in Part I of the bill there are at least 15 amendments to which there is no reference in the ways and means motion. In Part II of the bill there are seven such references, and Part III of the bill conforms with the motion.

In fact, there are two particular provisions, one in Part I and one in Part II, which are entirely new and are marked "new". It may be that the minister has an explanation for this, and we do agree that in some matters there are consequential amendments. It is readily understandable that when Clause 7 provides for something and Clause 8 is consequential upon Clause 7, an amendment to Clause 8 is required but would not be the subject of a detailed determination in the supply motion.

• (1510)

We have not had an opportunity to make that very detailed examination of this 110-page bill in relation to the Income Tax Act. We are being asked to debate it now. We saw it for the first time yesterday and, as I say, I raise these points of difference already. Somehow or other the minister may be able to give a valid explanation, but I raise this is as a point of order in order to afford him an opportunity to have this particular point checked out. However, if we are to continue tomorrow or later today with the clause by clause study, the minister will readily understand that because of the timing he has put on this—certainly he understands the complexity of the Income Tax Act, —and the fact that we might have to take this blessed bill and blend it into the act so that one is not caught up in agreeing to what is nonsense and so that one can readily understand it, some better effort should be made in the future to ensure that this dilatory government does not rely on being able to put the gun to the head of the opposition.

Many of the provisions of this bill should have been in effect a month or six weeks ago. However, they are no proposed and the government says that we must pass these in a hurry of else the taxpayer will suffer. That is totally wrong. I want to come back to the original point I made in respect of Standing Order 60(11). I do not want the bill blocked, but I would like Your Honour to take up the matter to see whether there could be a reference to the committee on procedure to have this particular point straightened out.

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

Mr. Nystrom: Mr. Speaker, I am rising in respect of the debate on second reading.

Mr. Speaker: Perhaps I might reflect briefly on the point raised by the hon. member for Edmonton West (Mr. Lambert). I appreciate his suggestion that the very interesting comment he made is not one which should be used by the Chair or by the House at this time to set aside this particular bill. He is perhaps, placing a caution on the proceedings of the House by suggesting that the matter be considered in due course by the Chair and also by the Committee on Procedure and Organization. When points of this nature are brought to the attention of the Chair they are normally, or I might say as a matter of fact, referred to the Committee for study. This is what certainly would be done again in this particular instance.

I would like to refer to one point made by the hon. member for Edmonton West to the effect that there is no precedent for this procedure. There is a precedent. It may be that it is not a good precedent and that perhaps we should not have followed this procedure in the first instance. If the hon. member would look at the House of Commons Journals for February 16, 1971 he will find that there were two resolutions proposed for consideration of the House. They were carried. There was a motion in respect of one bill that was passed on the two resolutions. Again, as I say, this perhaps is not a good precedent in the sense that it may be that the procedure at that point was not correct and that the point of order should have been raised at that time. In any event, however, there is a precedent for the procedure which is being followed at this time and the particular incident will be brought to the attention of the committee.

Is the minister rising to make his initial statement?

Hon. John N. Turner (Minister of Finance): Yes, if I might.

Mr. Speaker: I suppose the fear of hon. members is that perhaps the minister is rising to close the debate.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the way you suggest is the right way to handle the point of order, if I may say so with respect. We are about to commence debate on Bill C-170 to amend the Income Tax laws relating to the year 1972. I think it might be helpful if I took this opportunity to comment upon some of the more important aspects of the bill.

First, I should like to refer to a number of measures which are designed to assist individuals. One urgent priority confronting us is the threat posed the the financial security of those Canadians who have little or no ability to protect themselves from the burden of rising living costs. I refer principally to the aged, a large proportion of whom are women, and to the blind and disabled. A number of steps have already been taken by this government to assist this hard pressed group, including the indexing of the old age security pension, the increase in the old age security pension and the improvement of the benefits paid under the guaranteed income supplement. In addition, this bill proposes to increase the exemption allowed persons 65 years of age and over for income tax purposes from $650 to $1,000. I do not believe members of this House would want to penalize those men and women who have made sacrifices throughout their lives in order to save for their own retirement. This increased exemption

will also be extended to taxpayers who are confined to bed or a wheelchair and to the blind.

In my budget of last May, I spoke of the growing financial burden facing students and their families in meeting the rising costs of higher education or vocational training. Traditionally, we have tended to think of education and training as the problems of youth alone. Increasingly, however, education and training are becoming a continuing process. More and more Canadians and an ever larger number of adults, particularly married women, are resuming their studies in order to obtain more interesting and better paying jobs to widen their own horizons in life. The costs of education and training have been climbing, and there are indications that these factors are weighing heavily against decisions to proceed with education or training. Hence, the need to propose measures to encourage the efforts of students and their families to invest in further education or training.

The bill before us provides a new deduction related to the cost of obtaining education, which will be in addition to the existing deduction for tuition fees. This new measure will provide for a deduction of $50 per month per student for each month in the year during which the student was in full-time attendance at certain educational or training institutions. It will be applied to full-time attendance in a qualifying educational program at educational institutions providing courses at the post-secondary level, and also at educational institutions certified by the Minister of Manpower and Immigration in connection with the present tax provision affecting tuition fees. The deduction will be available to the student, but to the extent that she or he cannot make full use of the deduction, it will be available to the student's parent, husband or wife.

A further proposed amendment affecting individuals relates to medical expenses. This is an area which requires continuing surveillance to make sure that the hardship cases are dealt with quickly and adequately. To this end, the bill proposes to include as a medical expense for tax purposes an amount paid as remuneration for a full-time attendant to care for a taxpayer, his spouse, or other dependent, in a domestic establishment in which the cared for person resides. This will be available upon certification by a doctor that the person is incapable of self-care for what is likely to be an indefinite period.

It is also proposed to include as a deductible medical expense amounts paid to commercial transport services for transportation of a taxpayer or his spouse, or dependent, and an attendant if necessary, to and from a hospital, clinic or doctor's office to which the individual has travelled a distance in excess of 25 miles to obtain medical services not otherwise available nearer home. I believe that this will be of untold benefit to those living in smaller communities across Canada where some of the specialized medical services are not close or easily available and where Canadians go to the larger centres for more specialized treatment.

• (1520)

There are also several proposed amendments concerned with deductions at source, a matter of considerable importance to many individuals. First, there is an amendment which would permit a taxpayer to elect to have tax deductions made at source on income such as pension benefits. Ordinarily, this type of income is not subjected to source deductions, but a number of taxpayers have asked that they be given the option to pay their tax liability on a periodic basis. This could prevent the need to meet a large year-end tax liability.

Second, the income tax regulations have for many years authorized a reduction of the amount of tax normally deducted from payments at source, where deduction of the full amount would cause hardship. This might be done, for example, where a taxpayer had little other income and was likely to end a year with little or no tax liability. An amendment is proposed to place this authority in the Income Tax Act rather than in the regulations.

Finally, in this regard, individuals who earn income that is not subjected to deductions at source are required to pay instalments during the year as a payment against their tax liability for the year. In order to ease the financial and paper work burden facing many of our low income taxpayers, especially pensioners, an amendment provides that instalments will not be required if the individual's federal tax liability for the preceding year did not exceed $400.

In this bill there are several important proposals concerning taxation of retirement income plans. It is proposed to amend the definition of earned income used in determining the amount an individual may deduct as a contribution under a registered retirement savings plan. The amendment provides that the deductible amount of a retirement savings or pension plan contribution, will not be subtracted in computing earned income. The effect of the prior law was to reduce the maximum contribution permitted to be deducted from an intended 20 per cent of earned income to approximately 16 2/3 per cent of earned income. This amendment will correct that anomaly.

It is also proposed to treat a refund of premiums from a registered retirement savings plan received by a beneficiary through an estate in the same way as if the payment were received directly from the plan. In the result, a spouse will be able to invest the amount as a contribution to another registered retirement savings plan or use it to purchase an income averaging annuity.

In certain circumstances, tax on the post 1971 appreciation in value of shares or other securities received from a deferred profit sharing plan on retirement, death or withdrawal will be deferred until the recipient eventually disposes of the securities. The recipient's cost for tax purposes at the time of receipt will be based upon the amount he would have received upon withdrawing from the plan on January 1, 1972, plus amounts allocated to him after 1971. In effect, this amendment will provide a form of rollover treatment for securities distributed by a deferred profit sharing plan to its members.

I would now like to mention in general terms a number of amendments contained in Bill C-170 before the House which provide assistance to the farmer. Most important, an amendment is proposed which will permit a farmer to transfer his farm to his children free of capital gains tax at the time of his death. This exemption from the general rule of deemed realization of capital property at death is

intended as a response to a most urgent problem facing us, namely, the need to help preserve the family farm as a viable unit. The farm is a unique property—it is an illiquid asset, subject to volatile fluctuations in value. An involuntary deemed sale for tax purposes at a time when there is no actual receipt of cash may leave the family with no choice but to sell out. This amendment should help to prevent that result.

Under the present law, part of the sale proceeds of licences and rights issued by a federal, provincial or municipal authority and acquired before 1972, and later disposed of, are treated as income. No deduction may be made for any amount paid to obtain the licence. An amendment is proposed to ensure that any recovery of original cost will not be taxed. This provision will cover milk and other agricultural marketing quotas, timber, taxi, bus, truck, broadcasting and similar government issued licences.

For farmers and ranchers reporting their income on a cash basis, the early years of establishing a new herd can result in heavy startup expenses and a substantial loss. In many cases, the loss cannot be used within the five year period allowed for the carry forward of losses under the existing act. A proposed amendment will permit a farmer or rancher to carry his livestock in his inventory at any amount up to fair market value. This will overcome the problem of "unusable losses" in the early years and allow those startup expenses to be taken into account in later, profitable years.

There are also a number of proposed amendments in this bill which are of particular interest to the small businessman. As an incentive to small business, the present act provides a rate of 25 per cent on the first $50,000 in each year of business income of Canadian-controlled private corporations until $400,000 of taxable income has been accumulated. The purpose of the incentive was to provide additional funds to help corporations expand their businesses. To the extent that a corporation did not need additional capital to expand, the benefit of this incentive was not made available. This was accomplished by a provision withdrawing the benefit of the low rate to the extent that retained earnings were put into long term investments, unrelated to business activities—the so-called ineligible investment test. This ineligible investment test has proven complex and difficult. An amendment will repeal the test effective January 1, 1972.

The Income Tax Act requires a corporation to make an election when it pays a special dividend out of its surplus which was accumulated before the start of the new system on January 1, 1972. Many small corporations found difficulty in meeting these requirements during the first year of the new system, and to relieve the problem, an amendment will permit corporations to file late elections for special dividends payable during 1972. A corporation's surplus accumulated prior to 1972 consists of undistributed income and capital gains. A corporation may distribute both of these surpluses free of tax to its shareholders, but only after it has paid a special 15 per cent tax on its 1971 undistributed income. If the corporation distributes its pre-1972 capital gains before it has paid the 15 per cent tax on all of its pre-1972 undistributed income, a special tax is levied.

A proposed amendment would permit a corporation to elect to pay the 15 per cent tax on its total undistributed income—whatever that figure turns out to be—and once that election is made the corporation could proceed to distribute its pre-1972 capital gains without the risk of paying the special tax. This will relieve the difficulty facing many small corporations in estimating their undistributed income on hand at the end of 1971.

Where a Canadian corporation distributes its property to shareholders in the course of winding up, it may have difficulty in taking advantage of the rules permitting payment of dividends out of its special surplus accounts. Proposed changes will permit the rules for distribution of these special accounts to work more effectively. This has been a particularly troublesome problem to many small businessmen who often find themselves faced with the need to re-organize their business. The proposed amendment should provide welcome simplification of the existing rules.

I wish that time permitted me the opportunity to discuss all of the many amendments proposed in this bill, but I hope during the committee stage to be able to give what explanations I can to the House through the committee and to respond to whatever questions and clarifications may be needed. I have limited myself to a few general comments at this second reading stage upon some of the more important measures affecting individuals and particularly farmers and small businessmen. I hope that, in so far as they went, my remarks have been helpful to hon. members in obtaining a better general understanding of the nature of the bill. I look forward to the constructive comments which I am confident will be forthcoming at the committee stage and during second reading from all hon. members as we debate the bill.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I think the Minister of Finance (Mr. Turner) did not speak any truer words than the last ones that he uttered when he said his explanations at this stage are extremely brief on a subject which is extremely difficult. I must say that I find the thinking processes of the government somewhat illogical at this time.

• (1530)

First of all, the minister exhorted us to deal expeditiously with this legislation when he introduced his ways and means motion the other day. He said, as recorded at page 2723 of *Hansard* for March 29:

> I would urge the House to deal expeditiously with these 1972 tax measures . . . After these have been dealt with, parliament will be asked to consider those tax measures arising out of the May and February budgets which affect 1973 and subsequent taxation years.

That sounds very nice, reasonable and plausible, except that it was within the power of the government to have had the House deal with these matters much sooner than now. It is only at the eleventh hour—as a matter of fact some people would say at five minutes to midnight—that the government has made up its mind on how it is going to proceed on some of the budget proposals of May, 1972 in order to maintain a somewhat illicit relationship with the NDP. I can see the pattern now. The government is going to combine some of the May proposals with those made in

February. Now that he has seen this bill, the hon. member for Winnipeg North Centre (Mr. Knowles) must realize how much of the February budget there is in it, and how much of the administrative changes applicable to Bill C-259 have been smuggled into this bill. There will be left some very stark realities to consider in contra distinction. There will be the personal tax reduction and all the other goodies of the 1973 budget up against one corporate tax cut in an omnibus bill. We are given an omnibus bill here,—

Mr. Knowles (Winnipeg North Centre): There may be two bills.

Mr. Lambert (Edmonton West): —Mr. Speaker, and we are being asked to put through some of the most complicated changes to the Income Tax Act in an attempt to clarify those sections of Bill C-259, all 700 or 800 pages of it, which defied the wit of the government at the time, which practitioners have shown to be impractical, and on which the government knows it has not been able to bring in the regulations causing delay in the application of some sections. Indeed, the Minister of National Revenue (Mr. Stanbury) says he does not even know when the regulations are going to be ready. Yet, the taxpayers have their heads on the block. They are supposed to work industriously for the government under conditions that they simply cannot know.

The minister, as I say, has asked us to deal expeditiously with these measures. He has said that there are taxpayers over the age of 65 years who are facing problems with regard to the increasing cost of living. Whose fault is that but the minister's and his administration? That measure could have been passed last year. Was it mandatory with respect to the May 8 budget that we could not see the motions to adopt, nor the bill founded on it, until June 26? The House could not act at that time. Then the House adjourned on July 7, and came back at the end of August. After that the Prime Minister (Mr. Trudeau) and his associates went off on their frustrating fall hunt for votes. What a story of misadventure and misgovernment. Those should have been the days when these measures were dealt with in parliament. If these tax measures were so good for the public, and the government had any real concern for the beneficiaries of this miniscule largesse that it was exhibiting in last year's budget, why was it necessary for it to decide on an election at that time? What kind of priorities did it have? Today, those people are being given top billing in the government's priorities, but ten months ago they were at the bottom of the ladder. They were not even considered.

As a result, today we are being exhorted to get on with it, and if any of us speak for more than ten minutes we will be told that this is far too long.

Mr. Knowles (Winnipeg North Centre): Take your time.

Mr. Lambert (Edmonton West): There are many other things in the changes to Bill C-259—

Mr. Knowles (Winnipeg North Centre): You are the first speaker for your party. You have unlimited time.

[Mr. Lambert (Edmonton West).]

Mr. Lambert (Edmonton West): And I intend to take my unlimited time.

Mr. Knight: Surprise, surprise!

Mr. Lambert (Edmonton West): For instance we know how many representations were made with regard to deferred profit sharing plans. The hon. member for Weyburn is making some sort of intemperate interjections—

Mr. Knight: Assiniboia.

Mr. Lambert (Edmonton West): I apologize to the constituency. We know that members from that party at that time had many things to say about changes that should be made, but they were resisted. Now that the changes are being brought in, surely to goodness they must get the same degree of careful attention. First of all, they must get the same degree of explanation. We cannot complain about lack of explanation at the time of Bill C-259. There had been a white paper. There had been innumerable committee hearings on the basis of the white paper. There had been the committee report, and then legislation introduced based on the committee report and on other material which the government had, followed by nearly three months of sittings in the House to handle that tax bill. There was plenty of explanation for a portion thereof until the guillotine started to fall.

What sort of a guillotine is the minister trying to impose upon the House now? It is that represented by some sort of sympathetic consideration for the senior citizens, for the disabled, for the blind, for those people who had heavy ambulance expenses, for students and for small business. You know, Mr. Speaker, I almost drowned in what I thought were the crocodile tears of the minister when he spoke about small business and its non-eligible income. His predecessor had insisted that this was right. It is great to see that his predecessor and his parliamentary secretary, who seemed to plug up their ears against protests throughout the country, are no longer in this House, one by choice and the other by the electors' choice.

We will just see how we get along with this bill rather than merely accept these exhortations of the minister for the wrong reasons. Then, Mr. Speaker, the minister pats himself on the back, almost like my colleague from Crowfoot, little Jack Horner, in his self-satisfaction—not that my colleague has that degree of self-satisfaction—at pulling out a plum. He says:

> I am confident that members of this House will agree that this is a sensible and orderly way to deal with the tax measures arising out of the May and February budgets.

• (1540)

Mr. Speaker, on a quick rundown this morning I was able to find 25 instances of changes in the act to which no apparent reference can be found in the Ways and Means motion. There may be an explanation because, strangely enough, many of them arise in the French text. They may be corrections for some reason or other, but there is no indication. The minister failed to explain that. I had hoped he would accept the invitation which I had extended and that at this stage we would get some explanation. We have not been able to make an exhaustive study of the

bill, nor have we been able to dovetail it into the act. This would require a great deal of time.

In addition, we do not know yet what features out of the 1972 budget and the 1973 budget the minister is going to include in one or more bills to come with regard to income tax. We know Bill C-222 of last year, but we would have to compare it to Bill C-170 of this year to see if anything in Bill C-222 was dropped except the reduction in corporate taxes. There is no provision for the accelerated write-offs which was in the 1972 measure.

The notices of motion of February 19 are still outstanding. What features of those budget proposals are still outstanding with regard to the amendment of the act? Perhaps this is an abject confession by the minister that there is still disagreement on government policy with regard to one or more features of the two budgets. Perhaps the budgetary proposals in themselves at some stage are incapable of definition or, what is worse, that Bill C-259 which was presented to this House as being so well prepared has presented difficulty. It must be remembered that there were many sections of that act in which there were no principles of taxation or extensions of tax, particularly in relation to capital gains. The extension of taxation into trusts was taken on trust by this House—certainly in blind uncomprehending faith by government supporters on the alleged assertion that the regulations would be published shortly and that this would all be clear.

There are reams and reams of regulations yet to be written, Mr. Speaker, and that bill was passed in December, 1971. It seems that in the view of the Department of Finance and the Department of National Revenue the average taxpayer of this country, whether personal or corporate, is some creature to be flogged, to be flayed alive and have all sorts of hardships inflicted upon it. It is of no concern to the department—ultimately the tax will come.

I say that those senior officials of the two departments should have two or three years out in civvy street defending taxpayers, being involved in business and finding out what a monstrous thing they are administering. Hopefully, they would be humanized.

Before the hon. Minister of Finance came into politics, Mr. Speaker, he was attached to what I would call the best tax firm in Canada. He should have instilled in his heart forever—

Mr. Knight: What heart?

Mr. Turner (Ottawa-Carleton): All heart.

Mr. Lambert (Edmonton West): —a concern for the taxpayer but he has yet to show any of that sympathy.

Mr. Turner (Ottawa-Carleton): Oh, Marcel!

Mr. Lambert (Edmonton West): I am surprised at the Minister of Finance, Mr. Speaker. I think he figures he has written his ticket to heaven in due course—

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): —by that proposal to reduce personal income tax by 5 per cent and by some other things he has done, such as the additional $100 on personal exemption and a few other things in the February budget. If there had been anything less than that I would have said that the minister had in place of his heart all the ice of the Arctic and the Antarctic, because in places Bill C-259 was calculatingly designed to extricate from the Canadian taxpaying public far greater sums than should have been extricated. All they did was artificially set up a financial cushion to give a little leeway.

The minister would not listen to what the former treasurer of the province of Ontario, among others, had to say when he appeared before the Finance Committee as to the potential tax yield under personal income tax. Oh, no, the Department of Finance people will have nothing to say about looking at that. They are in continuing shame they were so far out in their estimates. The minister will agree that the yield in 1972 on the basis of Bill C-259 was far in excess of what any government should ever aspire to. Knowing the level of unemployment in many areas and the decline of industry—if there had been a buoyant economy in 1972—

Mr. Turner (Ottawa-Carleton): That is the reason we got those receipts, a buoyant economy.

Mr. Lambert (Edmonton West): With 6 per cent unemployment? With 18 per cent unemployment in a constituency that the Speaker knows a lot about? And the young people—what about the under twenty-fives who are unemployed? What about certain industries that had to close their doors? That was a buoyant economy? The only thing that could give the minister the idea it was buoyant was rampant inflation. It is easy to have inflation to steam up growth but it is all artificial. Those people who have investments can tell how it is. In any event, this is what the minister was doing and this is why he felt so good. You know, Mr. Speaker, it is amazing how this administration has boasted. It boasted during the last election campaign, and it will probably boast in the same way during the next one, whenever that may come, perhaps in the not too distant future.

• (1550)

Mr. Turner (Ottawa-Carleton): Is the hon. member nervous?

Mr. Lambert (Edmonton West): I am not nervous. The government will claim that it is the slick administration, the efficient one. Yet here we are, 11 months after the introduction of certain tax relief measures, and the government is finally moving to implement them. It is only doing so because it knows that if it delays any longer there would be a great wave of dissatisfaction on the part of thousands of taxpayers who are waiting for refunds and voters who have followed government instructions for claiming exemptions and relief that have no foundation in law. Even if these provisions become law before the Easter adjournment, not until June or July will the individuals concerned get their refunds. Is this how the government treats them? Of course, the government can take all the time it wants in making refunds; but, let the taxpayer delay making his return for even three days, and 6 per cent interest is charged. That interest is charged

even if the return is made two days late. The scales are not evenly balanced, Mr. Speaker.

You know, Mr. Speaker, taxpayers are making claims under these not yet passed measures because they were instructed to do so by the government's income tax forms which blithely ignore the fact that, in so doing, illegal actions were being sanctioned. We are now being pressed to legitimize those particular actions.

Where did this whole mess begin? We could go back to the May 8 budget address by the present Minister of Finance (Mr. Turner). Although he had been in office for less than 40 days, I think he went out a lot faster than Walter Gordon.

Mr. Turner (Ottawa-Carleton): I was appointed on January 29.

Mr. Lambert (Edmonton West): Then, let us make it 60 days.

Mr. Turner (Ottawa-Carleton): Make it 90 days.

Mr. Lambert (Edmonton West): Those were the so-called days of decision in which the various personal and corporate tax reductions were spelled out. The minister might explain why, in a majority House, the government waited 34 days before introducing bills to implement the tax relief proposed in the May 8 budget. Then before those bills could even be debated, the House was adjourned eight sitting days later, on July 7. You know, it is widely rumoured, but only the Minister of Finance knows for sure, that the real reason for this lack of urgency was the blind faith of the Trudeau administration that the government would be returned by the people in a general election with an increased majority.

What were they suffering from? I do not know. It was not spring, so it could not have been spring fever. It must have been the June moonlight that affected them. Something like that affected the Prime Minister (Mr. Trudeau) and his advisers, because we know how wrong they were. Does that mean that the Minister of Finance, who was a far more practical politician, I would say, than some others, was overruled by his cabinet colleagues and that the Liberal party then went out vote hunting with unfinished business left behind? This is not how the shop ought to be run, under any circumstances. I would think that the Minister of Finance, if he does not wish to repeat that experience this time, would insist that these budget bills be all locked up, so to speak, and enacted into legislation, because the country just cannot stand this, shall we say, slopping handling of business any more.

What was behind the governments's actions? I do not know. It could be, of course, that the administration was beguiled by that slogan, "The land is strong." Perhaps they thought they were strong and that they did not have to worry about those people who had been given tax relief.

On November 28, 1972, the Minister of Finance, speaking to the Canadian Tax Foundation, a body to which I belong, said:

> A few days after the election, the Prime Minister stated the government's intention to put Bill C-222 back on the Order Paper when Parliament returns to work. I renewed that pledge earlier this month.

Then, he said:

> I repeat it tonight. We want to get on with the Budget bill . . .

I do not known how many of the minister's officials told me the same thing when I asked about certain provisions regarding Bill C-222. Why, they said, Bill C-222 was almost on the order paper, they were to act on it so quickly. But Bill C-222 has not even hit the order paper. Oh, yes, some provisions are on it now. Those orders are less than a week old, and we are now in the first week of April. That is performance, Mr. Speaker, real performance.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Lambert (Edmonton West): Since the administration said that there was such urgency and priority to these budget bills, one can well ask why they waited until January 4, this year, to call parliament into session. It would have been a simple matter to recall parliament at the beginning of December. The legislation was ready. It was not a new program which had to be enacted. The legislation could simply have been brought forward as the minister has now brought it forward, by way of the introduction of a notice of motion on ways and means, and we could have had this legislation completed by Christmas. But did they do that, Mr. Speaker? No. That action would have forced them to disclose the unholy mess in the UIC. The administration has been temporizing and the taxpayers of Canada have had to suffer.

We know that the pressure has been put on the government from within, from within its own caucus and from the people to the left of me, with regard to the corporate tax measures.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Lambert (Edmonton West): Some want to put the corporate tax measures through, and the result is that the administration has delayed, fobbing off that measure with other tax measures, trying to blame the opposition, and so on. It has tried to pressure the opposition through some of their friends. The government only acted when we, in the opposition, brought attention to the position of senior citizens, students and others. There was not even the semblance of any reaction on the government side during the budget debate. The Leader of the Opposition (Mr. Stanfield), I and my colleagues have come back to this charge: that the government has failed to act on the real heart and guts of the May budget.

We have heard a lot about corporate tax cuts, yet it is remarkable that in his budget of May 8 last year the minister did not say anything about the 3 per cent increase in personal income tax that was to come into effect on January 1. The parliamentary secretary said nothing about the 7 per cent in corporate taxes that is to be imposed for corporations generally. The relief proposed in the May budget applies only to those engaged in manufacturing and processing. Yet the administration cannot draw up regulations or establish guidelines with regard to what is a manufacturing or processing concern. As a matter of fact, for the ordinary Canadian corporation, there is a tax increase over 1972 of close to 6 per cent.

For a Canadian corporation earning less than $50,000 this year, there is a tax increase over 1972 of 7 per cent.

• (1600)

Some members who were not here at the time will not remember, but those of us who were here during the debate on Bill C-259 remember that during an emergency debate on Wednesday night, October 14, the then Minister of Finance announced a tax cut from July 1, 1971 of 3 per cent for personal income tax and 7 per cent for corporations across the board. No one has mentioned that. All the attention has been turned to a tax cut of 9 per cent for the manufacturing and processing industries. Actually, it is less than that. It is 4.5 per cent. It goes back from 50 to 40, although the statute provides for 49, so on a percentage basis, it is a 4.5 per cent tax cut. What about the rest of the corporations? What are they saying to the government? Do they realize they will have this tax increase for 1973? Every little trucking firm, paint contractor, house builder, corner grocery store and any other similar organization in Canada with the initials "Ltd." behind their name, or in the province of Quebec, "Inc.", will have their taxes increased by 7 per cent over 1972.

Now, we see just how much concern the minister has for small business under these circumstances, how much concern we will see in 1973 because a great deal of small business is incorporated. They are not all the ogres the hon. member for York South (Mr. Lewis) seems to mouth. A man and wife running a grocery store may be incorporated. The hon. member for York South says "They are the villains of the peace. They are the corporations. They are the ones." I am surprised about the concern of the Minister of Finance in his 1972 budget, and again in his February budget, to get the economy going when everybody is going to have to pay 7 per cent more corporate tax. That is a great stimulus to business? My eye, it is. It is a great stimulus to inflation. There is no way that any business is not going to pass on tax increases to every Tom, Dick or Harry, the consumers.

A municipality may decide to raise assessments or impose higher taxes for municipal services. This may be to increase salaries for the administration or for education. Some of these are rather astronomical when compared with salaries of members in this House. If they do that, the money will come out of your pocket, Mr. Speaker, and mine. That is the place from which it is extracted.

We wonder about the pressures of inflation in this day and age. It is the older people and those on fixed incomes who have to bear the brunt. They are not able to pass on the hot potato of inflation. They are the ones who must pay. What concern is there in the May budget and the February budget for those people? We traversed this ground in the budget debate, but I remind hon. members there is no help for the elderly and those below the exemption levels.

The minister can boast all he wants about increasing exemption levels, but it does not do one iota of good to the person who is below the exemption level. It is worse than Marie Antoinette's reference to cake to say to them their exemptions are being increased when they are already $500 or $1,000 below the exemption. What good does it do them if the exemption is increased? That is the kind of concern we get from this government when it comes to income tax changes.

The minister will get his bill in due course, but I wish to advise him that my colleagues want to talk to him about family farms. According to the minister one has to die to pass on a farm within the family. If the health of the farmer has broken, he cannot retire in decent honesty at age 65 or 70 and pass on his farm to his son. Oh, no. There is a deemed realization at that time. There are also other areas my colleagues will talk about.

As we debate all these nice provisions to tidy up the deficiencies of Bill C-259 and clarify the act, I hope the minister will be here with his officials to give this House and the country the fullest possible explanations. This is a big volume. It has to be as good and as clear as the rest of the act. It is a tough act. I wish some other changes were being brought in to alleviate the lot of the taxpayer from an administrative point of view, but we have not seen them up to the present time. The government has not yet quit patting itself on the back for having introduced these tax reforms. The government has compounded many sins. I think we will be here for some time, Mr. Speaker.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, as the hon. member for Waterloo (Mr. Saltsman) used to say, it is a great pleasure to follow the hon. member for Edmonton West (Mr. Lambert). I can assure the minister that I will be taking a slightly different tack regarding taxation and the bill before us today. Bill C-170 contains approximately 130 or 140 pages outlining, as the hon. member for Edmonton West stated, several changes to the tax laws of this country. Primarily and basically, it deals with a number of changes regarding individuals, ordinary people. It increases the exemption for pensioner, for example, from $650 to $1,000 and provides for exemptions to students in post-secondary institutions. It also provides for medical expenses, such as ambulances and so on, and there are some legislative changes regarding farm write-offs, such as capital gains when a farm is transferred on the death of the farmer either to his son or his daughter. These farm items are important, and other changes could be made. The minister knows our position and the hon. member for Saskatoon-Biggar (Mr. Gleave) will be elaborating on it a little later.

• (1610)

Since the bill deals primarily with individual items, I and my party feel it important to pass the measure as expeditiously as possible through second reading and through the other legislative stages in this House. We feel it is important that individual citizens receive the benefits contained in the bill. However, I do want to make one or two arguments about taxation and about the record of this government in that field in order to emphasize the position of our party. We are placing emphasis on the individual taxpayer, the average guy, and ask that he be given a better tax break. In turn, this would stimulate the economy more effectively than would giving tax breaks to corporations through the proposals of the minister in connection with fast write-offs and a reduction in corporate income tax.

I think that the fallacies in our taxation system have been outlined many, many times in the past. We had the

Carter commission report in 1961 which said that we had a very unfair tax system which should be reformed or amended. We then had the white paper on taxation which was brought before this House. The Conservative party, and members from Calgary and Edmonton in particular, regarded that as the great "red manifesto". They said that it was much too radical, much too progressive a document. As a result, we had the tax reform bill which retreated considerably from the white paper proposals which were put before this parliament.

At any rate, I feel that we need a taxation system in this country that gives the average person a much greater tax break than he gets and which taxes the wealthier people more, one that plugs some of the loopholes and taxes in a much more fair manner extractive industries. This has just not happened in the last few years under either Liberal or Conservative governments, as an examination of the last few budgets reveals. I want to examine the last seven or eight budgets that have been presented by this government since 1968 and show how they have favoured the corporate sector in an ever-increasing way and have heaped more and more taxes on individuals. I have prepared what might be called a sort of scoreboard so as to compare the benefits reaped by the corporations to the detriment of the average taxpayer.

The first budget was brought down by this government in October, 1968. The then Minister of Finance, Mr. Benson, made some very interesting announcements. For example, he applied a new social development tax, as he called it, against the people which was expected to increase government revenue by $55 million in the 1968-69 fiscal year and by a further $440 million in the 1969-70 fiscal year. The total increase in taxes for people in that budget was some $495 million. The social development tax, as we all know, was continued in 1970 and 1971, so about $1 billion more could be added to the total taxes paid by people in this scorebook that I have prepared.

In the same budget, on the corporate side, Mr. Benson applied new taxes on life insurance companies and changed reserve requirements for certain financial institutions. According to my calculations, it was forecast that these two measures would result in a total of $130 million additional revenue obtained from corporations in that year. The then minister also announced that corporations would have to pay their tax a little sooner, on a month by month basis the same as ordinary people. He estimated that this would mean an additional $275 million in federal revenue received from corporations in 1969 and 1970. However, this was not really a tax increase; it simply meant corporations could no longer defer their tax payments for as long as they had previously.

There were a few other small changes in 1968, but all had minimal effect. If you look at the scoreboard for 1968, you find that taxes for individuals—and this is important—went up by $1,495 million. In other words, there was an increase in taxes to the tune of $1.5 billion in the first Benson-Trudeau budget 1968. On the other hand, taxes paid by corporations went up by only $130 million. That gives a comparison of the priorities set by the government that was supposed to be a reforming government, one that would bring a new look to Canadian society in 1968.

[Mr. Nystrom.]

Budget No. 2 was presented by the same government in June 1969, and again the former minister, Mr. Benson, decided that tax increases were to be the order of the day. He extended the 3 per cent personal and corporate surtaxes applied in the previous budget for another year. This meant increased taxes paid by individuals to the federal goverment of about $107 million; for corporations it meant $48 million in added taxes. Some capital cost allowances for new buildings in selected areas were deferred, but the amount involved was relatively small. Taking budgets Nos. 1 and 2 together, we find that the cumulative figures for taxes paid by people went up by $1.6 billion and for corporations by only $178 million.

The third budget brought in by the Liberal government was in March, 1970. In that budget there were not any major tax changes, either on the personal side or on the corporate side.

Budget No. 4 was presented by the government in December of 1970. The minister of finance decided once again to extend the 3 per cent surtax on individuals and corporations until the end of 1971. The estimated revenue increase received from individuals was $170 million and from corporations $75 million. But the corporate side also received an off-setting tax cut of $25 million through more favourable capital cost allowances for manufacturing and processing. So the net increase in corporate tax was reduced to $50 million, whereas individual tax increases amounted to $170 million. A look at the cumulative figures of tax in the first four budgets of the administration which commenced in 1968 reveals that taxes for people increased by $1.7 billion or $1.8 billion and for corporations by $228 million.

I now come to the fifth budget of the Trudeau-Benson era which was presented in June 1971. I might add that that was the month that a democratic socialist government was re-elected in Saskatchewan, my home province. The economy was in an extremely depressed state at that time, as we all remember, and at last the Minister of Finance began to acknowledge that fact, so the federal goverment decided it was time to cut taxes. For people, Mr. Benson reversed his earlier decision to apply the 3 per cent surtax to the whole of 1971 and abolished it effective July 1. This reduced personal income tax revenue by some $90 million. In addition, some new exemptions were permitted, which further reduced revenues from individuals by $45 million. But on the other side of the ledger, we find that corporation income taxes were also cut in that year, saving corporations about $40 million. I may add that corporate income tax cuts in 1971 were supported in this House by members of the Conservative party.

• (1620)

In addition, the so-called tax reform package was introduced in June of that year but did not take effect until the end of 1971. If you take the cumulative figures in respect of the first five budgets brought in you find that taxes have gone up for individuals by $1.6 billion and for corporations by $188 million since 1968. The same pattern was developed right through the first five budgets presented by this government since 1968.

At the time budget No. 6 was presented in October, 1971 the economic situation had not improved, and more tax

cuts were announced by the government. The people received a 3 per cent tax cut amounting to $125 million in 1971-72 and $225 million effective in 1972-73. Again, the corporations had their taxes reduced, and this was referred to earlier by the hon. member for Edmonton West. There was a 7 per cent across the board tax cut for all corporations in this country amounting to $160 million in 1971-72 and of $175 million in 1972-73.

We find that in this budget there are further tax cuts for individuals and corporations. If you put the cumulative tax cuts in the six budgets together, you find that by October 1971 taxes had gone up for individuals by some $1.3 billion while taxes for corporations were already $147 million lower in 1971 than they were in 1968. You can see the continuing imbalance in taxes as between individuals and corporations.

Let me now come to the seventh budget of last May 8, and some of its proposals are before the House today in the bill we are now debating. It was brought in by the new Minister of Finance (Mr. Turner). For elderly people and students there were special exemptions, and these are being debated today. These special exemptions result in a $50 million tax cut over a full year. Corporations fared much better with fast writeoffs, and a reduced income tax rate for processing and manufacturing businesses from 49 per cent to 40 per cent starting January 1, 1973.

In total, these changes represent $500 million in corporation tax cuts for the first full year and $700 million in the second year of application. If you put all these factors together, to the end of 1972, as announced in the May 8, 1972 budget, we find that as a result of the first seven budgets of the Trudeau government taxes were increased for individuals by $1.5 billion since 1968 and that taxes for corporations went down by $500 million between 1968 and 1972.

That was the situation as we commenced the election campaign last fall. Taxes for individuals have gone up by $1.5 billion since this government was elected, and taxes for corporations have dropped by $500 million since 1968. As a result of the October 30 election, this party was able to influence to some degree some decisions made by the Minister of Finance and the government. We find the budget he brought down in February differing fairly radically from previous budgets of this government.

We find, for example, that he continued the tax cut, increasing it to .5 per cent, although this was not an across the board tax cut, but contained an element of progressivity. There is a $100 minimum exemption for taxpayers and a maximum of $500. This is a much more progressive method of taxation, benefiting people on lower incomes more than the wealthy of this country. We also find an increase in the old age pensions. Again, the increase was not as great as we had hoped, but at least pensions went up to $100 basic and $170 for those receiving the supplement. We also have increases in the pensions of veterans of this country and we have tax changes favouring farmers. We have, too, an increase in exemptions for individuals of $1,600 and $3,000 for married couples. All these things are on the individual's side of the taxation scoreboard.

We also had a cut in the sales tax on certain items like children's clothing, footwear, cosmetics, toiletries, and so on. We find that the equalization payments for the poor provinces have gone up as the cost of local school taxes were taken under consideration.

There is one clear exception in this budget in comparison to the first seven presented by the government sitting across the way. That exception is that there is not proposed in this budget additional handouts, gifts or tax cuts on the corporate side. I suggest this is the result of the influence our party was able to exert in this parliament. This is a direct result of the election of October 30 when the people of Canada said, in effect, they wanted a more equitable taxation system, that the average citizen was paying far too much in taxes today with the benefit going to extractive industries, with loopholes allowing the wealthy people to get off scot-free.

The parallel I have drawn proves that this government, over the years, with the support of the Conservative party, has been giving much too much to large corporations in this country and much too little to the individuals. This trend has begun to change and this party will be pushing as hard as it possibly can in the direction of giving the average citizen a real tax break. I should like to add, and this does not need repeating because we have said it so often, that our party remains firmly against any proposal introduced by a Liberal government, a Conservative government or anyone else, that will give the corporations a greater tax break or more benefits, and the members of this party will vote accordingly.

In the next four or five minutes available to me, I should like to suggest two or three things to the government in terms of reforming our tax system to make it even more equitable for the average citizen. First of all, I believe a system of tax credits should be used instead of a system of exemptions. I feel this is more progressive in that if we use tax credits the person at the lower end of the income scale would receive more benefit while the person at the upper end would not. I think that is the more progressive and natural way to move.

I also believe we should have a comprehensive income concept with all forms of income being subjected to income tax. I believe we should have a full capital gains tax that would attack all incomes in the same way, with exemptions in respect of family farms, homeowners and small business enterprises in the family which are so vital and necessary to keep the economy moving. If we do not have a more equitable tax system then we will continue to penalize the average citizen instead of helping him by giving him.

Let me give you one example of the way our present taxation system militates against the ordinary citizen. I have taken some statistics from the tax reforms of last year and compared the cases of three individuals. Each of these individuals is receiving an income of $10,000, is single and does not have any dependents. The first makes $10,000 in wages or salary. Perhaps he is a teacher or works in a factory. That $10,000 income will be taxed at the rate of $2,285. The second person is also single with no dependents, but making $10,000 through capital gain by speculating on the stock market or perhaps by selling off some land at the edge of the city, or in some other manner. Capital gains are taxed at half the rate at which

wages and salaries are taxed. He pays on $10,000, $844 in taxes. Is that fair? I do not think it is.

• (1630)

The third example is that of a single person who has no dependents and also has an income of $10,000. His income is through dividends rather than through wages. He is the poor guy who clips coupons and derives his income through dividends from corporations. Under this new bill he pays in taxes $193 per annum, or even less. This person takes advantage of the tax loopholes that this government has built into the taxation system and which the Conservative party supports. The tax is $193 or less for a person with an income derived through dividends, and is $2,285 for the person who slaves it out in the factory or in a business who receives his income through wages or salaries. I say it is about time that we changed that system. We should treat all taxable income equally, whether it is the income of, a corporation or a person working in a factory or teaching school.

The final point I want to make in respect of taxation is a point which has been made many times. It was made last year by Mr. Kierans. The natural resources and extractive industries in this country should be taxed at a much higher rate and should not have the advantage of the tax loopholes they now have. If this were done, there would probably be much more incentive for capital to go into the manufacturing, processing and service industries, industries which are labour intensive and not capital intensive. Therefore, there would be more jobs and employment would not be exported from this country. We could accomplish that objective by reforming our tax laws and making these people pay their fair share.

Like the former member for Duvernay, Mr. Kierans, I would like to point out a few statistics which reveal how unsatisfactory the taxation system is when it deals with raw materials compared to other sectors of our economy. I have some statistics from the Department of Finance in Manitoba which I believe were used in this House by Mr. Kierans last year. They show the percentage of profit on which companies paid taxes over the last few years. We find that the retail merchants paid taxes on 90 per cent of their profits. Wholesalers paid taxes on 87 per cent of their profits. The construction industry paid taxes on 77 per cent of its profits and manufacturing paid taxes on 65 per cent of its profits. Then, when we come to the mining industry, which is capital intensive and which is largely foreign owned or dominated, we find that it paid taxes in the last ten years on the average of only 13 per cent of its profits because of the special gifts, concessions, grants and loopholes which are available to it.

Turning to the gas and oil companies, we find that they are even better off than the mining companies in Canada. They paid taxes on an average of only 5.7 per cent of their profits. I say it is time that we reformed the tax system so that we do not provide any more incentives for the mining, gas and oil companies. We would then have more revenue for the people of Canada and more revenue for programs to encourage more capital investment in manufacturing and processing which would mean that our country would indeed be better off. So, I want to urge that the minister give consideration to some of these suggestions. I think these are ways in which we can provide some real purchasing power for the little people and give them some confidence in their own country and in the economy of this country. I urge the expeditious consideration of the bill before us. It deals with individuals. It deals with the average citizen and will help him a bit in the jungle of taxation laws we have in our country.

Mr. Stevens: Mr. Speaker, would the hon. member for Yorkton-Melville entertain a question?

Mr. Nystrom: Yes.

Mr. Stevens: The hon. member has reviewed what he regards as the inequities in the taxation policy. Does he feel it would also be helpful if the government stopped spending so much money?

Mr. Knowles (Winnipeg North Centre): A good Tory question.

Mr. Nystrom: The question is so typically Tory that I am almost stuck for an answer. The hon. member asks whether or not cutbacks in government expenditures would make for a more equitable taxation system. I agree that there are a number of areas where there probably could be cutbacks in government spending, but I believe there are also areas where the government should be spending money. There should be more expansionary measures in the budgets of the country; there should be more government leadership, for example, to provide jobs which would in turn provide more productivity in our economy, this would lead to greater benefits for the average citizen. I think we can do this by implementing a tax reform package such as that advocated by our party and by implementing many of the proposals in the Carter Commission Report. This would give a real incentive to the average citizen. The average citizen will not receive much incentive if General Motors or Shell Oil is given a huge tax concession or a huge grant under DREE or under some other governmental program. The average citizen will have more of an incentive if he receives a genuine tax cut so that he is able to buy some better food, purchase some better furniture or perhaps purchase a home in order that he may have better living accommodation for himself and his family.

• (1640)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to make a few comments about Bill C-170. I would like to refer in particular to the impact of our economic system on taxpayers. Mr. Speaker, they are not satisfied because they cannot enjoy the goods that nature and industry have put at their disposal.

Mr. Speaker, if I may, I would like to consider briefly the situation which prevails in any of the world nations. Whatever political party or economic philosophy we adhere to, either capitalist, socialist or communist, everywhere in our world which is called the earth we find natural resources, everywhere people till, work, produce, consume, capitalize, finance. Everywhere, healthy adults are responsible for the production for all citizens, including those who are too young, too old, too ill, too poor, too uneducated to earn their living. We must protect them.

Mr. Speaker, will all these economic changes proposed in Bill C-170 have a saving effect on our taxpayers? I maintain that taxpayers will not find very much that is better in all these statements of principles and new legislation that are being put through in the field of taxation.

I think that we will still have the same problem, and that all that will only complicate the economic situation that we already know and deplore.

Our economic situation lacks of satisfactory balance. As I said just now, we produce all sorts of goods, we consume and we capitalize. These are the sectors that need putting straight, and they are precisely the sectors that the present bill does not deal with.

The present bill pays little attention to these areas, which we should all examine with a view to making changes that will bring about the results that the people have waited so long for. We all know that, in this budget as in previous budgets, the improvements we make to various forms of taxation and distribution are a mortgage on the future.

We are basing these regulations on a mortgaging of the future. Indeed, our tax laws and regulations are drawn up in such a way as to allow for future debts, future mortgages, and this does not solve the problem, now or in the future.

We are using the future more and more to mortgage Canadians, which will not solve the basic problems of our economy. Amassing still more debts will hurt us later on, because then we will have to pay debts of the past, and incur new ones so as to face the problems that confront us then.

The prime objective of the budget is to stop unemployment, put an end to poverty and reduce inflation. I think that, in the present situation, the contrary occurs because we have an increase in the rate of unemployment and in inflation, and we see with regret that poverty is growing worse.

The more we advance, the poorer we become, the less citizens can provide for their needs and balance their own budget because it is unbalanced in fact by government budgets.

When governments want to give some leeway to enable the individual to make both ends meet and set his budget on an even keel, we can only do that by unbalancing the budget of the state. If we do that to try to straighten out the budget of the individual, the problem is still there and the state is in a bad position, with the deficits we now have.

Mr. Speaker, this bill would bring up the basic personal tax exemption from $1,500 to $1,600 a year for unmarried people and from $1,850 to $3,000 for married couples. I think this is far from being sufficient and I am convinced that the problem will not be solved that way.

Mr. Speaker, to be logical and to tailor the tax exemption to the rise in the cost of living, it would have been necessary to do like Quebec and increase the basic allowance for single persons to $3,000 and for married persons to $5,000 a year.

Mr. Speaker, although it would have been a little more acceptable to taxpayers, it would not have solved the problem because it is now said that almost 2,700,000 taxpayers will no longer pay income tax under the new basic exemption. They did not pay any before, because they were too poor, but the rise in the cost of living coupled with inflation is neutralizing the effect of the incentives which the government thinks it is giving to the people.

Apparently thousands of citizens will no longer pay income tax, yet the government will levy almost $1.5 billion more than before.

They said that they were going to cut taxes but the reverse is happening; they raise taxes as never before. The same holds true of provincial governments. They call an election and tell the citizen that they have lowered taxes while they did just the opposite.

The taxes that we have now are in part indirect, they are hidden and the government or the Minister of Finance (Mr. Turner) is prepared to show his great talent by telling Canadians: We have exempted you from taxes, we have cut taxes, whereas in fact the burden is being shifted to a certain category of taxpayers.

As for the suppression of the 10 per cent tax on soft drinks that they have asked us to accept, we did, I believe, with pleasure, but it does very little for the taxpayers and will not even begin to solve their problems.

Mr. Speaker, I think that if this government had included in the budget a 10 per cent discount on the ever rising milk prices and on other food products in order to really help families, we could say: this is a positive and sensible measure which will directly help people in their great economic recession, which will help them meet both ends and live a little more decently.

As for the old age security pension raised from $82 to $100 a month, we voted for it and we are proud but we know that it will not solve the problem either. We know that the rising cost of living and inflation eats it all up. So there is no practical solution as yet, no solution we can accept with confidence. We cannot yet tell the taxpayers that we have really done something tangible for them. We have done nothing positive. It's all negative, Mr. Speaker.

The right-thinking citizens, those who are clear-sighted are saying to us: your work in parliament is all negative; nothing in all this fiddle-faddle helps us enjoy a decent living, absolutely nothing. All we are getting is higher taxes; the more we borrow money the more we have to pay back and we are becoming poorer and poorer.

The more governments advance, the more poverty increases among the population; the more governments get into debts in all kinds of ways and in all fields of economy, the poorer the people get. These changes are far from being advantageous and practical for the general public.

The New Democrats say that the problem will be solved by taxing the large corporations. I am in favour of only one tax table and I would like to see it appear. But to tax some people in order to give to others, when there are masses of overproduction, and to tax citizens who do not have enough already in order to give to someone else, that does not solve the problem. As a matter of fact, that only increases the cost of living and the cost of products.

• (1650)

To solve the problem, one must get to the core of it, namely lower the cost of living by every possible means.

Now this government is a good representative of the people's image. Out of 264 elected members, there are thirty ministers who spend most of their time discussing and bickering over minor issues, forgetting and neglecting the only real problems, the first and most important of which is the problem of a guaranteed personnal income for every Canadian citizen, paid out of the national production of goods and services of the current year. There are nearly 23 million Canadian citizens and there is enough production to satisfy all of them. There is even enough for exportation and in spite of that, there will still be surplus. That is where we should do something and through various means, solve that problem.

Instead of solving problems, we multiply them, we forget about them; we pretend to solve some of them among the less urgent ones, to make believe that we are doing something, but in fact we try hard not to change anything in the general pattern of national economy, which inflates the income of rich people and their society and drains more and more those of the poor people and their families.

People, families and corporations, that is all that is being administered throughout Canada, but only persons are endowed with life. Families and corporations are not alive, they are but groups of people. Families are natural groups of living people, while companies are artificial groups of adult citizens legally associated under regulations established by the supreme authority of the government of Canada.

Mr. Speaker, the companies' organization is respected. The company is respected as a body and is considered as a direct body whereas it is a body without a soul, an indirect body. The direct body is the human being and it is each human being and for each human being that we must administer and this not for public bodies without a soul nor public bodies without responsibility. Only the human being has responsibilities.

Everyone knows that there is only one administration formula of which I have already spoken several times. Everyone knows that the companies are making profits and reserves on their administration of the current year to warranty the progress and safety of the years to come and succeed in whatever they undertake.

Then why not plan the family administration which also needs profits and reserves for the years to come in addition to meeting the current year's expenditures? Why oblige all the family heads to administer their family expenditures on the income of only one person or of a single person?

This is how absurd is our national economy. This is the reason for inflation, unemployment and poverty.

The increase in the cost of living is subtly hidden in the huge reserves, the hidden and secret reserves of public or private corporations camouflaged by the accountants in their annual reports and tax exempted by the government to the benefit of the shareholders and directors in collusion with the economists who pretend not to see or know nothing about this common practise which is used to deprive the people and even governments and families of the greater part of the national wealth.

So much is being given to private and public corporations, whereas nothing is provided for the families; not enough is being given to the adults who contribute to production through their work and their capital, in return for which they receive salaries and interests planned and adjusted to their degree of education and experience. The hidden cause being detected, their wounds become easier to heal.

Mr. Speaker, we know that there exist large corporations which are hoarding large reserves. There are hoarded reserves of billions of dollars on which no taxes are being paid. Some order ought to be put in those reserves, though without confiscating everything. A small portion of this should be levied for payment of a guaranteed income to all our citizens and, moreover, part of the excess production should be turned into funds to be distributed among those Canadian people not lucky enough to draw salaries because they cannot work, or are too old, or are sick, in short, those unable to earn what they need. Some help must be provided for them through other technical means, because the world in which we are living is a modern world, where technology has been promoted and replaces labour. Those citizens who are not working must live. This is one of the reasons why we shall soon have to pay a guaranteed income to each citizen, though without robbing those who already have not enough money. The necessary money for distribution should be drawn on the excess funds and excess production.

Mr. Speaker, this is the means we are putting forward to alleviate the disquieting economic situation now prevailing.

A large measure of general confusion still surrounds the guaranteed income plan in 1973. The idea is to bring order into all that.

Mr. Speaker, those matters have been under study and subjected to various experiments for over 50 years already, as the minister himself explained it in detail in this House on January 11 of this year and as reported at page 197 of *Hansard*.

Mr. Speaker, the big royal commissions of the federal government since 1960 on the revision of our banking and fiscal systems, on the status of women and on poverty in Canada have already explained all there is to be known to curb inflation, unemployment and poverty, to restore national economic balance between individuals, families and companies, incomes, expenditures and profits, taxes and reserves, needs, costs and prices, capital, work and the right to a living, employers, employees and dependents.

Mr. Speaker, everything has been said by those big royal commissions which required time, energy and money. For over 10 years their reports remained available to all people concerned, governments and the governed. The famous reports of those royal commissions—

The Acting Speaker (Mr. Laniel): Order. I am sorry to interrupt the hon. member.

THE ROYAL ASSENT

The Acting Speaker (Mr. Laniel): I have the honour to inform the House that a communication has been received which is as follows:

Government House, Ottawa
April 5, 1973

Sir:

I have the honour to inform you that the Right Honourable Gérald Fautaux, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 5th day of April, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Roger de C. Nantel
for
Esmond Butler,
Secretary
to the Governor General

• (1700)

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Pursuant to Standing Order 40, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg South Centre (Mr. McKenzie)—Post Office—New postal code; the hon. member for Selkirk (Mr. Rowland)—National Defence—Renewal of Norad Agreement; the hon. member for South Western Nova (Mr. Haliburton)—Fisheries—Lobster fishery.

[*Translation*]

It being five o'clock p.m., the House will now proceed to the consideration of private members' business, as listed on today's Order Paper, namely private bills, notices of motions (papers), public bills.

[*English*]

There being no item under the heading "Bills" on the order paper, the House will now proceed to Notices of Motions (Papers).

PRIVATE MEMBERS' MOTIONS FOR PAPERS

TRANSPORT

REQUEST FOR REPORT OF MR. JUSTICE TRITSCHLER ON CONSTRUCTION OF GREAT SLAVE LAKE RAILWAY

Mr. Les Benjamin (Regina-Lake Centre) moved:

That an Order of the House do issue for a copy of the report of Mr. Justice Tritschler on the inquiry into the construction of the Great Slave Lake Railway.

He said: Mr. Speaker, this motion for the production of the report of Mr. Justice Tritschler into the construction of the Great Slave Lake Railway is on the order paper because it is my opinion, the opinion of members from all parties in the House, the opinion of some eminent legal counsel, and the opinion of the contractors themselves that they still have cause for some significant redress as a result of losses incurred in the construction of this railway on behalf of the Canadian National Railways. After seven years or more of efforts of all kinds to obtain redress, these contractors have not yet given up. The standing committee of this House on Transport and Communications, after a great deal of effort by members of all parties, were finally able a couple of years ago to get the government to agree to refer this subject to the committee. We had hearings, heard the contractors, heard the railway representatives and submitted a report to this House which the House subsequently adopted. I quote from that report as follows:

During the hearings your committee was confronted with conflicting evidence relating to the problems caused by unexpected weather, difficult terrain, and the use of clauses 16 and 18 in the Canadian National Railways' construction contract. Considering this conflicting evidence and the technical problems relating to it your committee recommends the following:

I will read the one pertinent recommendation, which is:

That the Minister of Transport establish a one-man inquiry to consider the merits of the claims submitted to this committee by the Great Slave Lake Railway contractors. The person nominated to conduct the inquiry should be acceptable to both the contractors and the Canadian National Railways and should report to the minister in confidence so as not to prejudice any future court hearing.

After many more months of delay, the minister finally appointed Mr. Justice Tritschler who submitted his report to the minister. As a result of that report the minister advised the contractors concerned, without telling them what was in the report, that their demand for redress would not be recognized. Mr. Speaker, the minister and the government say that because the report was submitted to the minister in confidence they cannot make it available to the House and, more particularly, to the contractors concerned. I submit, Mr. Speaker, that the reason for confidentiality no longer exists for the following overriding reasons. I repeat the statement in the report:

The person nominated to conduct the inquiry should be acceptable to both the contractors and the Canadian National Railways—

At no time, Mr. Speaker, did the minister or any of his officials communicate in any way with the Lucas Construction Company or Mr. John Lucas of Regina to ascertain whether the appointment of Mr. Justice Tritschler was acceptable. My information is that the minister or no

one in his department contacted any of the other four contractors in this regard. The minister and his officials, chose to ignore that part of the recommendation but conveniently chose to abide by the part of the recommendation concerning confidentiality of the report. Since the recommendation that the person making the inquiry should be agreeable to both sides was ignored by the government, I submit that completely destroys their claim for confidentiality of the report. It is my opinion, and the opinion of many others of all parties, that these contractors are still entitled to redress.

I want to give a bit of background on the Lucas Construction Company. John Lucas, who has been in the construction contracting business since 1934, did contract work for the South Saskatchewan River Dam, for the Saskatchewan Department of Highways, helped build the railway to the Kelsey Dam in Manitoba and helped build the Flin Flon highway in Manitoba. Those are a few of the projects in which he was involved. He was an experienced and competent operator in the north, knew the conditions, the weather and the terrain. He was not, I repeat not, what one could call a fly-by-night operator. Yet this contractor, Mr. Speaker, lost over $1 million on the contract with the CNR. In fact, if one were to take into account all his losses, he lost over $1 million on machinery, nearly half a million dollars in land, lost his bonding and refinancing to the value of $1,200,000, lost a further $200,000 in earnings in subsequent years—in total, the loss was in excess of $3 million.

Two or three or all four of the other contractors suffered similar losses, Mr. Speaker. Why? I submit there were two reasons. One was the weather—abnormally bad weather for that part of Northern Canada, particularly in the matter of rainfall. The Peace River *Record Gazette* of August 2, 1962 reported that rainfall between April 28 and July 28, 1962 in that area totalled 25.3 inches. There was upwards of 50 inches of rainfall in the area in which the Great Slave Lake Railway was being constructed during that time.

The other reason for the difficulties these contractors experienced was the severe, and in my opinion unreasonable, enforcement by CNR officials of the provisions of the contract as well as the outright interference by the CNR engineering staff with the contractors in attempting to carry out the contract. There is not any question that Lucas Construction, for example, did its utmost to comply with CNR demands, despite the terrible weather in 1962, the adverse decisions of the engineering staff and the frightful working conditions in the spring of 1963.

For example, Mr. Lucas was arbitrarily required by the engineering staff of the CNR to sublet part of his contract to New West Construction Company. Whereas the CNR was paying Mr. Lucas 27 cents per cubic yard, Mr. Lucas was forced to pay 30 cents per cubic yard, in the rough construction, to the subcontractor as a result of an arbitrary and, I submit, unreasonable decision of the CNR engineering staff.

• (1710)

It is clear from the foregoing and from the many documents that many Members of Parliament have been accumulating for the last ten years that Lucas Construction and the other contractors made every effort at considerable additional expense to complete the project as soon as possible. It is clear, too, that the CNR acted in a way, on a number of occasions, that was clearly unreasonable, especially in view of the unparalleled bad weather. This contract was unbelievably harsh, so harsh that it did not contain a "force majeure" clause, nor an arbitration clause. That contract appropriated complete control in all particulars to the CNR. My learned legal counsel, the hon. member for Winnipeg North Centre (Mr. Knowles) tells me that "force majeur" means an excuse for not fulfilling a contract.

Mr. Baldwin: That is the Prime Minister (Mr. Trudeau) in full motion.

Mr. Benjamin: It is invoked because of irresistible conditions or acts of God. This kind of unreasonable, unjustifiable contract under which the CNR calls for tenders I believe constitutes an immoral business practice. It raises the question as to whether a Crown corporation or, for that matter, any corporation can call for tenders on a public project, can sign an almost impossible contract and, in the carrying out of that contract, act in the way the CNR acted. Is there no obligation on that public concern to remedy the damage that it did to the public, of which even dirt contractors are a part? Since the government, the minister and the department failed to carry out the full recommendations of the committee that were debated in this House, the House, and particularly the contractor concerned, I submit are thereby entitled to access to the report of Mr. Justice Tritschler. I hope that all hon. members will agree, for the sake of fairness and for the sake of redressing the wrong that was done over ten years ago, to adopt this motion. The government I submit should give redress to both of the contractors to whom reference was made. Even an ex-gratia payment of $200,000 or $300,000 to Mr. Lucas would enable him to start again. He has lost his bonding. He cannot get going again. He has lost everything. The only reason he did not lose his house was that it was in his wife's name. In all fairness and justice, we must continue this fight. I know members of all parties agree with this, and I hope the House will adopt the motion before it.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I want to add my support to what has been said by the hon. member in whose name this motion stands, for two reasons. I will try to be brief, although I do not know why I should be, because I do not suppose the government intends to accept the motion. In any event, I will be brief.

My first reason for supporting the motion is that I am aware of the particular circumstances involved in this case. I know of the difficulties faced by the people involved in the construction of this railway. They worked during two or three years of the most difficult construction weather in a most difficult area building a railway. Mr. Lucas and some of the subcontractors, some of whom are still in the Peace River country and were and are involved in this matter, have sustained financial losses because of the various predicaments in which Lucas and others found themselves. They went struggling ahead in order to make sure that the railroad would be constructed on time and at very, very reasonable cost.

I know the legal aspects of this matter. There is no question but that the CNR did all it had to do legally. But as the government, on the one hand, can airily throw $1 billion into the unemployment insurance program, $1 billion more than it originally intended to spend and, on the other hand, become involved in proposals for spending hundreds of millions of dollars in the giving of discounts under corporate tax write-offs for unlimited periods to a great many corporations, most of which will go to the United States, it seems to me that it could look at the situation before us and, as my hon. friend suggested, make a compassionate payment. After all, Mr. Lucas worked well and deserves the thanks of the people of this country. He and his fellow contractors deserve our thanks for what they did, and I think a compassionate allowance would be well within the range of possibilities that might be considered by the government and the CNR.

As the commissioner appointed pursuant to the order of the committee of this House failed to make public the reasons for his recommendation or failed to make his report in such a way that it could be made public, I submit that we, in this House, should be diligent in finding ways by which the report could be made public, so that this House and the people of this country might know why the commissioner acted as he did. To me, brought up in the traditions of the law in which trials are held in the full glare of publicity, in which witnesses testify in public, in which decisions are made public and in which appeals are allowed, it is intolerable that a judge of the Supreme Court should make a report of this kind which the government keeps from the people involved and from the members of this House. I think it is a vicious and intolerable system which allows this. For that reason I hope that some way may be found of making the report public. No harm would be done by it. On the basis of the report, once its contents are known to the members of the House, we might be free to recommend a compassionate payment. That is the particular reason for my support of this motion.

There is a more general reason for my support, namely, that there is too much secrecy surrounding the actions of this government, just as there is too much secrecy surrounding the actions of all governments. This government is particularly addicted to secrecy. We see that in the way ministers fail to answer questions, or answer irrelevantly, or do not provide answers that are responsive to the question. You cannot have a democratic institution operating in the shadows. Facts must be made public, must be made known. Why, in heaven's name, that is not the case I do not know. Why should not governments make public the facts, documents and information on which they act? I know that we often hear the same story. We are told, "Well, it is not possible. If decisions are to be made, the circumstances under which they are made must not be made known to the public. Such decisions would not be possible if civil servants were not allowed to operate furtively and secretly and if the public had knowledge of the recommendations which they make."

I disagree with such assertions violently. I should like to have the full right to make known the circumstances of such recommendations, and give others equally the right to appear before committees. Let them have the right to justify the recommendations and justify the facts which they make public, on the basis of which the government makes decisions.

There is an interesting article carried in a special "Playboy Forum" report entitled, "Mr. Nixon and the media". It reads in part:

• (1720)

Why should freedom of speech and freedom of the press be allowed? Why should a government which is doing what it believes to be right allow itself to be criticized? It would not allow opposition by lethal weapons. Ideas are much more fatal things than guns. Why should any man be allowed to buy a printing press and disseminate pernicious opinions calculated to embarrass the government?

That is what Lenin, Russia's first communist dictator, said. Those are the questions he asked. They are statements which are being put in a little different way by governments in both this country and the United States. There is an attempt being made by the President and the present government of the United States to seriously impair the freedom of the press to make full disclosure of the facts coming to their attention. There is the Pentagon papers trial and reporters are imprisoned from time to time for refusing to make known their sources of information. By declaratory judgment in 1945, the United States supreme court declared, and I quote:

—"the assumption that the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the [public] and that a free press is a condition of a free society."

I do not believe people listen to these things very carefully. All too often, governments do not listen. Slowly and insidiously, we see taken away from what has been a free society and the institutions of that free society, the right to demand the fullest possible dissemination of facts, information and documents. What the hon. member is asking here is an illustration of that statement which I have made.

I know that the President of the Privy Council (Mr. MacEachen) has tabled a set of rules which he proposes on behalf of the government as the basis on which documents asked for by notices to produce should be produced. Let me say at once that is totally unsatisfactory to me. It is inadequate. It simply sets out in a formal documentary fashion the present exceedingly limited opportunities that are available today. Why should any minister or any government have the right to say that, in his opinion, it is in the public interest that this document be not disclosed? What special virtues surround any minister to permit him to make that statement? There is no question that in many instances it is because the disclosure of the documents would result in embarrassment. It is about time more ministers and more governments were embarrassed. It is time that we opened the windows then let in the fresh air and sunlight with the freest possible dissemination of information. Does the hon. member want to ask a question?

Mr. Guay (St. Boniface): Yes, Mr. Speaker. Why did the Conservatives not do so in 1962?

Mr. Baldwin: Mr. Speaker, I said the same thing then. I do not care what government is in power. There was a great deal more freedom then. I sat behind the govern-

ment in 1961 and 1962 and watched ministers of the Crown respond to questions. I watched the dissemination of information in response to notices to produce. Disclosure was a lot fuller and freer than today.

I admit there are abuses in the practice of seeking information and the production of documents. There are abuses on both sides of the House. However, that does not alter the fact that the primary responsibility rests upon the government to disclose, to the fullest extent, facts and information in its possession. These are limits. I have said that. I supported a bill proposed by the hon. member for Souris-White Rock (Mr. Mather) attempting to secure approval of this House on second reading of a bill for freedom of information. I said then, and I repeat now, there are certain areas of national security. There are also criminal offences which may be under investigation and cases involving confidential information gathered by the government with regard to such matters as income tax. However, the government shows no reticence.

A businessman sitting in his office or store day after day receives a voluminous amount of questionnaires from the government which demand, not ask that he fill in the information requested with the penalty of prosecution if he fails. Governments are never hesitant when it comes to demanding information, but it is a horse of a different colour when they are requested to make known facts in their possession. You will never have a free, open and good society when you have a government that is secretive, hides facts that should be made public and refuses to allow the dissemination of that information to the press, Members of Parliament and the citizens of this country. That is the major reason that I want to support the hon. member in his quest for the very reasonable production he has asked for in this case.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I was rather surprised to hear the speeches of the hon. member for Peace River (Mr. Baldwin) and the hon. member for Regina-Lake Centre (Mr. Benjamin). I feel they have done the House a disservice. Neither of these members bothered to read to the House the report of the Standing Committee on Transport and Communications which recommended the establishment of this inquiry. What exactly does that say, Mr. Speaker? Let me read the first recommendation from that report. I quote:

That the Minister of Transport establish a one man enquiry to consider the merits of the claims submitted to this Committee by the Great Slave Railway contractors. The person nominated to conduct the enquiry should be acceptable to both the contractors and the Canadian National Railqays—

I want to emphasize the next part of the sentence.

—and should report to the minister in confidence so as not to prejudice any future court hearing.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I do not know whether the hon. member for Kenora-Rainy River (Mr. Reid) was here and asleep or out of the chamber, but that is exactly the part I read in my speech a few minutes ago.

Mr. Reid: Mr. Speaker, I was in the House listening to the hon. member. If he did read it, I am surprised that he did not understand it. If he did understand it, he would never have made the ridiculous argument that the government was trying to prevent information coming to the House of Commons. What the government is doing is accepting a recommendation of a standing committee of this House and keeping the report confidential. There is no question of withholding information from members of this House. It is obeying a recommendation of the committee to the House of Commons. If the government had taken the attitude that this information should be permitted to come forward, the government would have been in default and should have been condemned.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. I listened to the hon. member in whose name the motion stands. I heard him make that statement. I did not repeat it. I heard him say that, because one condition was breached, the condition that both parties would be consulted with regard to the appointment of the commissioner, there was not the same degree of validity in the other condition. That is the statement made by the hon. member. I accepted that statement.

Mr. Reid: Mr. Speaker, I was closely involved in the negotiations that led to this particular matter being referred to the Standing Committee on Transport and Communications. I was not involved in the selection of a commissioner. From my conversation with the contractors, I know there was a great deal of difficulty and, in the end, there was no particular agreement on who should be commissioner. In point of fact, when the two parties were unable to agree, they went to the minister and said if he would appoint someone who was reputable, they would accept him. Because the two parties were not able to agree on a person, they agreed on a different procedure being used. The point about the confidentiality of the document has nothing to do with the former point. The point was that a report was to be made by a reputable investigator. The report was to be made confidential in order to protect the rights both of the contractors and the CNR.

• (1730)

The only point I want to make is that the government is obeying resolutions and motions which were accepted by the committee, whose report was later adopted by the House of Commons. Were the government to do otherwise, it would be derelict in its duty. Had the government done what the hon. member wants it to do, it certainly would not have followed the recommendations made by a committee of this House and adopted by the House.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I wish to participate in the debate of motion No. 47. I believe it might be a good thing to place on the record some of the events that have taken place in this regard, since I believe it important to do so.

The construction of the Great Slave Lake Railway gave rise to a number of disputes between the contractors responsible for the clearing and preparation of certain segments of the land, and the CNR. The disputes led to litigation which was eventually settled with each claimant and a release obtained from each party by the CNR.

However, notwithstanding this disposition of the matter, the contractors continued to press for further payments.

The following is a summary of the statements which led to an order of the House to hear representations from the contractors. The problems related to Great Slave Lake Railway contractors were first raised in the transport committee in June, 1967, when Mr. Schreyer asked Mr. MacMillan for comments related to the difficulties faced by seven contractors. The chairman of the committee referred to an earlier reply by Mr. MacMillan to the effect that if there was not litigation regarding these contracts, there soon would be and he would just as soon not comment. Mr. Schreyer stated: "Yes, but that leads me to this: You would expect that there would be litigation, but if these firms have gone into receivership or bankruptcy, how in the world could they initiate a civil suit?" When told that there could be a civil suit in such a case, Mr. Schreyer noted that he would like to see what lawyer they would get to act for them on that basis.

On March 5, 1968, and again on March 18, 1968, Mr. Schreyer questioned the then minister of transport about what action he had taken to date on an investigation into the construction of Great Slave Lake Railway and the bankruptcy of some construction firms engaged on the line. On March 25, 1968, Mr. Schreyer referred to allegations by contractors that Canadian National Railways enforced terms of the contract unfairly and onerously, and he summarized the circumstances of the contractors as follows:

> The majority of the 13 or 14 construction firms involved in the project lost heavily, half of them being forced into bankruptcy. If that had happened to only one or two, one might say, well, it was a case of poor management or poor bidding. But when half the firms—seven of those involved—go into bankruptcy, it is safe to assume that there is something rotten in Denmark and that the contract conditions must have been onerously enforced. Or perhaps the Canadian National Railways' specifications were sloppy in the extreme and grossly inaccurate. Many elements could enter into the matter.

Then Mr. Schreyer referred to a prior inquiry made into the pipeline contracts as precedent for the need for an inquiry, and noted the results of the pipeline inquiry. The inquiry found that Mannix Company Limited had submitted claims amounting to $16,000 which were settled for $6,600. Mattagami Construction had submitted claims amounting to $27,900 which were settled for $17,900. Mannix Construction Co., had submitted claims amounting to $972,000 which were settled for $420,000. Canadian Comstock had submitted claims for $96,696 which were settled for $65,243. Dutton Williams Brothers had submitted claims amounting to $2,776,731 which were settled for $692,490.

In October, 1968, Mr. Schreyer noted that the minister had continually been requested to look into the matter of improper tendering with respect to Great Slave Lake Railway. He noted that allegations had been made that serious errors in the enforcement of the terms of the contract were made by Canadian National Railways, as a result of which some contracting firms engaged in building the Great Slave Lake Railway went into bankruptcy. Mr. Schreyer stated:

> Several months have elapsed since then—

The minister had received some briefs from contractors.

> —and in the meantime some firms have been forced into receivership and bankruptcy. Some were forced into bankruptcy before the matter was brought to the minister's attention by members of this House. Since that time I understand one or two other firms engaged in the construction have also been forced into receivership.

Mr. Schreyer noted that the contractors had exhausted all legal avenues. He further stated:

> —unless we obtain from the Minister of Transport some indication of action, the contractors to whom I have referred will all be forced into personal and corporate bankruptcy.

I am sure the hon. member is pleased to hear this; and may I tell him I am well aware of what I am quoting. The hon. member for Timiskaming (Mr. Peters), referring to another branch line, stated that local employees had been used in the construction of the line and noted that it would obviate some of the problems that plagued contractors in the Great Slave Lake area in regard to local employment problems. Then, according to the information I have, Mr. Schreyer later said:

> Some construction firms, Hatch Construction, Pete Rohl Construction, Ginter Construction, Krywa Brothers Construction, Lucas Construction and others, have been put into bankruptcy because of clause 16 of the form of contract. The acting minister will want to look at this material—

That is, briefs sent to the minister.

> —in detail to see what course of action can now be followed in order to redress the grievances of these people. There is no use talking about their right of access to the courts. In some cases justice, unfortunately, still is not obtainable without money with which to hire legal counsel, etc.

On February 5, 1969, Mr. Schreyer's question No. 206 was answered. The question asked:

> 1. Has the Minister of Transport made a decision relative to the claims submitted to him by those contractors that were engaged in the construction of the Great Slave Lake Railway for the CNR and, if so, what is the decision?
>
> 2. If such claims have been accepted as valid, is Treasury Board approval being sought for payment, either in whole or in part, of these claims?

The question was answered by the then minister of transport, the hon. member for Trinity (Mr. Hellyer), as follows:

> 1. A review has been made of the circumstances relating to the claims of various contractors against the CNR in respect to the construction of the Great Slave Lake Railway.
>
> Notwithstanding that one may have considerable sympathy for the circumstances in which the contractors find themselves as a result of these contracts, it appears that the claims, to the extent that they remain outstanding, are matters which must be settled between the companies directly involved and the management of the CNR.
>
> The CNR has informed the Minister of Transport that some of the claims have been dealt with and additional payments have been made in some cases.

• (1740)

Part 2 of that question the then minister of transport answered by saying, "Not applicable." During the hearings in May, 1969, on the Canadian National Railways' annual report, numerous statements were made, some of which I would like to quote as follows:

Great Slave Lake Railway

MR. SKOBERG: I move that the committee call as witnesses those contractors available that were engaged in the construction of Great Slave Lake Railway and were subject to the invoking of clause 16 of their contracts by Canadian National Railways.

Considerable discussion ensued related to the wording of the motion, the need to appear, etc. In this regard Mr. Allmand noted:

We should not entertain these grievances under this particular motion because these contractors, whoever they may be, whether individuals or corporations, might have made a claim through the courts, which is the usual way when one is not satisfied under a contract. The usual procedure is to make a claim in court. I do not know at this particular time whether any claims have been made in court; whether there are judgments on these particular claims or whether there have been settlements made out of court. Maybe they did not make claims before the court; maybe for some reasons they were prevented.

Mr. Horner spoke to Mr. Allmand's recommendation to turn down the recommendation, as follows:

Secondly, I would like to suggest that the whole difficulty arises out of something that was not the contractors' fault. It was not the railway's fault either. It was practically an act of God: the weather conditions were the biggest trouble. Surely, contractors or the Canadian National Railways should not be held responsible. We should hear the problems that the weather conditions brought about, without forcing these people who, as I understand their case, are nearly bankrupt anyway. I sincerely want each member of this committee to look at this problem. If they tendered low and lost their shirt, then you and I can justifiably say, well, the next time they will tender wisely. But in this case it was not a case of tendering low; it was an act of God—building a railroad in severe conditions through what we might call a hinterland, an area which is not settled, an area which nobody really knew the conditions, and then, on top of all that, adverse weather conditions during the construction of the railway.

He went on to state:

Mr. Chairman, it is only fair and just that we at least hear their case. If we decide that it was not because of weather, but through faulty construction or faulty management of their contracts, then I do not think we should be held responsible for bailing them out, nor should the government, no matter which government. If we find that it was because of adverse management direction under clause 16 of the contract, or because of adverse weather conditions, perhaps we could give them a sympathetic hearing at least, and maybe a sympathetic answer. With regard to Mr. Allmand's third point, Mr. Chairman, that this whole question may go before the courts, I urge this committee to give serious consideration to that problem. If these contractors are in as severe a position as they say, they are facing bankruptcy. They cannot afford to go to court.

Some hon. members of the committee went on to speak about this, and Mr. Nesbitt said:

—it is quite evident that the House leader, Mr. MacDonald, has been apprised of the matter and has made certain commitments in the House. There seems little doubt that this matter would be heard and witnesses called to hear both sides of the story. It is my understanding that the minister might have some reservations in setting an unfortunate precedent where every person who had a 25-cent claim against the railway or the government might want a hearing, or that it would open the flood-gate in the future, but I do not think that could happen and I think this committee could, perhaps, make that quite clear. This would not set a precedent as there are very unusual circumstances in this case. There are many millions of dollars involved. It has been apparent that the cause of the thing was not necessarily the fault of the railway at all, but was caused by unforeseen acts of God, as I believe the term is, although I do not know why the Almighty should be blamed for some of these unfortunate things. However, that is in fact what they are, and there certainly have been commitments made that the committee would hear the whole matter.

To sum up briefly—

[Mr. Guay (St. Boniface).]

An hon. Member: That would be nice.

Mr. Guay (St. Boniface): I could continue, because I think some hon. members would want to hear all these facts. I thought they were of interest. I should like to reiterate the authority given to the commission by the House of Commons on December 11, 1969, as follows:

That the Minister of Transport establish a one-man enquiry to consider the merits of the claims submitted to this committee by the Great Slave Lake Railway contractors. The person nominated to conduct the enquiry should be acceptable to both the contractors and the Canadian National Railways and should report to the minister in confidence so as not to prejudice any future court hearing.

I should like to conclude by quoting from a letter from the CNR, signed by Clare J. Irwin, to the Hon. G. E. Tritschler, Chief Justice, Court of Queen's Bench for Manitoba, Law Courts Building, Broadway Avenue and Kennedy Street, Winnipeg 1, Manitoba, dated October 22, 1971. It reads in part:

The evidence of both Ben Ginter Construction Co. Ltd. and CN supports CN's contention that the powers of the CN engineer under clauses 16 and 18 of the section 6 and 7 grading contracts were exercised reasonably and with discretion under difficult circumstances.

By Benjamin Ginter's own tesimony, the weather was not a problem with respect to this grading work and there is no evidence that the condition of the terrain gave rise to unusual difficulties in this regard.

In any event, the evidence is that a formal claim was made to CN on behalf of Ben Ginter Construction Co. Ltd. following completion of these contracts. This claim was settled after protracted negotiations between counsel for the contractor and for CN in the amount of $342,000, a sum greatly in excess of the $207,000 recommended by Dr. R. M. Hardy following his consideration of the claim. That amount must be considered as having fully compensated this contractor for claims of any nature which it brought against CN following completion of the work.

The evidence adduced at the hearing was that the CN engineer in exercising his powers under clause 16 of this contract acted reasonably. Despite this fact, when a formal claim was made by this contractor and Dr. R. M. Hardy was asked to advise with respect to that claim, a settlement was effected to the mutual satisfaction of both parties by CN paying to the contractor the sum of $64,000. This amount was equal to the full amount paid to hourly-rated contractors for work done under clause 16 on clearing sections 6 to 9 and initially charged to Krywa Bros. Const. Ltd.

It is important to note Dr. Hardy's evidence that, in addition, this contract was earlier paid approximately $40,000 for work done by the hourly-rated contractor at no cost to Krywa Bros. Const. Ltd. Even if it could be concluded that CN's engineer exercised his powers under clause 16 unreasonably, it is submitted that this total additional payment of approximately $100,000 adequately compensated Krywa Bros. Const. Ltd. for any costs resulting from such action.

The weather gave rise to no unusual difficulties in the clearing work done by this contractor and the condition of the terrain cannot be the proper basis for a claim by a contractor engaged soley in clearing land.

The letter goes on to explain, in respect of all other contractors, that they were all dealt with in the same manner. I could continue reading this letter; it might be of interest to some hon. members of the House. Possibly I could quote one more paragraph which indicates that Lucas Construction Ltd. had been treated in the same way. The letter reads:

• (1750)

Following completion of the hearing with respect to Lucas Construction Ltd. it became apparent that portions of the testimony of Dr. R. M. Hardy may have been unclear. Accordingly, I asked Dr. Hardy to advise me with respect to these points. I enclose for your further consideration Dr. Hardy's letter to me 21 October, 1971.

It is CN's submission that the evidence clearly indicates that the powers of CN's engineer under contract clauses 16 and 18 were exercised reasonably under the circumstances existing throughout the duration of this work.

The effect of weather upon a contractor engaged in this type of heavy construction must be foreseen by the contractor at the time he makes his bid.

The evidence of Dr. Hardy as clarified in the enclosed letter together with the evidence given by witnesses for both Lucas Construction Ltd. and CN at the hearing would indicate that an unusual soil condition was encountered on grading section 4. There can be no doubt, both from the evidence of Dr. Hardy as found in the Minutes of Proceedings of the Standing Committee on Transport and Communications of 19 June, 1969, at pages 2599 and 2600 and from Dr. Hardy's evidence at the recent hearing as clarified by his letter, that any additional costs incurred by Lucas Construction Ltd. attributable to this soil condition were considered—

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order, please. I am sorry to interrupt the hon. member, but the time allotted to him is up.

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, since there are only seven minutes left, I shall try to leave enough time for the question to be put.

Mr. Justice Tritschler's report on the inquiry into the construction of the Great Slave Lake Railway is more evidence of the government's policy of silence when it suits them. The manner in which they have kept this report secret is further proof of the government's dictatorship in Canada. Under cover of a well-disguised democracy, the word "freedom" comes to mean—

[*English*]

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-147, an act to amend the Old Age Security Act—Chapter No. 8.

Bill C-148, an act to amend the War Veterans Allowance Act—Chapter No. 9.

[*Translation*]

It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

INCOME TAX ACT

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-170, to amend the statute law relating to income tax, be read the second time and referred to the committee of the whole.

Mr. Henry Latulippe (Compton): Mr. Speaker, before recess, I was speaking about the state of mind of all Canadians concerned, the governments or the people.

I was suggesting that we produce too many of these official reports, royal inquiries and white papers submitted in large numbers to all Canadian members of Parliament. Why should we spend two more years on new studies, reviews, federal-provincial consultations, suggestions, further research, when all that is already included in the work carried out since 1960?

Mr. Speaker, the general impression we get from January 11th's impressive speech by the Minister of National Health and Welfare (Mr. Lalonde), the member for Outremont, especially coming from one who was once in the first rank of advisors to the right hon. Prime Minister of Canada (Mr. Trudeau) for almost five years, and who must know better than anyone what goes on, after so many royal inquiries on these matters, is an impression of dullness which suggests incompetence, impatience, incoherence and a waste of time, which suggests perplexity as to which way to turn in the maze of organizations that are immediately involved with the guaranteed personal income which guarantees the individual's right to a living.

We must, Mr. Speaker, work towards setting up a national organization that will guarantee all Canadians a share in the national revenue.

The regulations of exchange and commerce, the general levying of taxes by everyone under our present system, the exchange rate and minting, banks, the issuing of paper money and rates of interests, all these are the aims of our present economic system.

Inflation, unemployment and poverty are merely failures in the circulation of money. Let us stop complaining and sulking. The solution to our lack of money lies in the hands of the government of Canada, and particularly in those of the seven most important ministers and Members of Parliament elected by the Canadian people.

The seven members of the cabinet who can supply an immediate solution to the problems of circulation of money, in the interests of the nation and of the 23 million Canadians, are the right hon. Prime Minister, the Leader of the Official Opposition (Mr. Stanfield), the leader of the New Democratic Party (Mr. Lewis), the leader of Social Credit (Mr. Caouette), the President of the Treasury Board (Mr. Drury), the Minister of Finance (Mr. Turner) and the Minister of National Health and Welfare.

These Canadians are those mainly responsible for our economic organization. Only they can make the big decisions, and only from them can we expect decisions and major reforms that everybody hopes this parliament will introduce to correct the present economic situation.

Now, if national production amounts to $114 billion in 1973, which means $5,000 per capita or $25,000 per family of five members, on average there are nine million Canadian producers who get revenues from their wages and investments. We call upon this government to consider major economic factors and establish a national economic balance between people, families and companies, between earnings, spendings and profits, between taxes, duties, exemptions and personal income, and to provide for a guaranteed personal income.

Mr. Speaker, although the Canadian economy is still one of the most prosperous in the world and while generally, the capitalist economy of free enterprise is still superior to the socialist and communist systems, I assert with supporting evidence that our Canadian capitalist economy of free enterprise has some basic deficiencies, namely inflation, the rise in the cost of living and interest rates generally; unemployment and the numerous strikes are only some apparent and localized symptoms at certain times and places.

The basic deficiency, the basic weakness of our economy, the sole and basic source of all the troubles which we are endeavouring to control, including currently rising interest rates, that sole cause of our many economic difficulties is the essential aspect of our Canadian capitalist economy of free enterprise which is so difficult to correct. It is merely the unbalance among the various foregoing constituent factors.

Mr. Speaker, we are going to support this bill but in a rather negative way because we feel that it does not contain the solution we are seeking. We would have preferred to see the tax exemption for married couples raised to $5,000 and $3,000 for single people. In spite of that we accept the government proposals. We will not oppose the passing of the bill but we would like to make it known to this House that we are not very satisfied because we would have liked in this month of April 1973, in the twentieth century, in view of our fantastic production which increases from year to year and the decrease in the number of individuals contributing to production—nearly 30 per cent of our labour force is unemployed—to increase our gross national output to at least $125 billion or perhaps $150 billion in the coming years. We cannot do it because our workers are out of work and because we have not found the means to make the investments needed to get our economic production system going to produce more. When the young are not working, they are not producing. We would have liked to see people work and produce more because in that way we could have reduced prices and would have done so through the help of competent citizens putting their energies at the service of their fellow countrymen and working for the good of the community. We could have increased our assets and by doing so we could have reduced our costs and if our costs were reduced with methods such as those we advocate we could give compensated discounts to reduce the cost of living, to prevent it from increasing steadily.

Mr. Speaker, we could reach a peaceful settlement of the major problems affecting us and to which we cannot find a solution.

[Mr. Latulippe.]

• (2010)

[*English*]

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, may I preface my remarks with a brief quotation as follows:

> The federal government is aware of the importance of the family farm. We realize the importance of keeping our family farms healthy and growing . . . Despite all our talk about corporate farming and about agriculture being big business—and it is—the family farm is still a basic unit in our agricultural community.

The author, Mr. Speaker, was the Minister of Agriculture (Mr. Whelan) and these remarks were contained in an open letter to farmers of Perth county, published in the Perth-Stratford *Beacon Herald* on February 10 this year, on the occasion of that county's annual agricultural week celebrations. The date of publication, February 10, is significant because it was nine days before the budget speech of the Minister of Finance (Mr. Turner) on February 19. What did this minister have to say about the family farm? I quote from page 14 of his speech as follows:

> I would now like to draw your attention to another matter which is of great importance, namely the preservation of the family farm. Under the present rules, when a farmer dies and leaves his farm to his children he is treated as if he has sold his farm at its fair market value. In the result, there may be a capital gains tax liability. For many of our farmers this poses a serious problem. First, the value of a farmer's land is often subject to fluctuations which have little bearing on the real value of that land as a farm. Second, most small farmers have little available cash and have already exhausted their credit. Therefore, a tax liability at a time when there has been no real sale may leave the family of the deceased farmer with no alternative but to sell out.
>
> To remedy this problem, I propose that, effective January 1, 1972, when a farmer dies and leaves his farm to his children there will be no deemed sale of his farm land.

In the "Budget Highlights" at page 5, however, that passage was reduced to the following brief sentence:

> Family farms permitted to pass from generation to generation free of capital gains tax.

This is what was picked up across the country and for several days or weeks there was joy in the rural areas, based on the general misunderstanding that capital gains tax had been eliminated for the transfer of a farm to a wife, son or daughter. At this point, the farmers of Canada were rejoicing because of four basic misunderstandings of this supposed tax relief as it applied to the family farm. Indeed, all Canadians felt that at long last this government had recognized and were prepared to cure the ills that the government's tax legislation had brought to them. These four items of misunderstanding were as follows: first, the farm could be sold or transferred to the children during the parents' lifetime without tax liability; second, capital gains tax had been eliminated with respect to such sale or transfer; third, the residence of the child or children at the time of the parent's death was of no consequence; fourth, the whole farm could be sold or transferred.

With respect to the first item of misunderstanding, it took a week or more before it was realized that the farmer had to die before any relief was possible. Regarding the second misunderstanding, it gradually became clear that capital gains tax was not eliminated at all; it was merely deferred. Therefore, if the farm had a value of $50,000 on valuation day, and a few years later had a value of $75,000 on the date of the father's death, or even a few years later

had a value of $95,000 when the son sold it, perhaps to a neighbour, we find that the capital gain to the son is $45,000. In other words, farmers are finding out that even though they leave their farms to their sons in their wills, their sons will still be stuck with retroactive valuation day value.

The third misunderstanding is the residence rule which must be met by the farmer's son or daughter. I wonder if the Canadian farmer realizes even today that if he leaves the family farm to his son in his will, and by sheer coincidence that son, at the time of the father's death, happens not to be at that precise moment a resident of Canada, no relief from capital gains tax can be enjoyed even though the son returns home post haste in order to continue the operation of the farm.

The fourth misunderstanding, Mr. Speaker, is crucial. It involves the question of what is a family farm. I suggest that most of us know it as a combination of land and buildings, probably a dwelling house, livestock, equipment, feed, fertilizer and other things. It is the totality of all of these in combination. When we speak of the family farm in relation to its purchase or sale, or in relation to capital gains tax, however, the interpretation is perhaps more narrow. It is considered by most to mean the land and buildings, the real estate: the non-movables, or immovables, if you prefer.

When a farm real estate agent lists a farm for sale he intends to sell, and the prospective purchaser intends to buy, not such things as stock, equipment and other things; he intends to buy the land and buildings. Therefore, Canadian farmers did not pay special heed to the reference in the budget speech to "farm lands," because "farm lands" mean land and buildings. It bothered a few of us though, Mr. Speaker, because it is no secret that the Minister of Finance would not know a cow from a cabbage and could not care less.

It bothered the hon. member for Grey-Simcoe (Mr. Mitges) who in this House, on February 28 last, asked the Minister of Agriculture if this capital gains tax exemption—I should point out that some of us at that time did not appreciate that it was simply a deferral—also included the buildings on the farm, or was it just the land? I remember the question very well, for two reasons. First, I was trying to be recognized by Your Honour on the same day to ask a similar question and, second, before the Minister of Agriculture answered he leaned over and consulted his colleague the Minister of Finance. Even this brief consultation, Mr. Speaker, was so unique and historic that it became branded in our memories. In any event, after this consultation the Minister of Agriculture replied, "It includes the complete farm".

Mr. Speaker, why would any farmer have difficulty understanding this answer? A few might believe that a complete farm includes such things as livestock, equipment and feed. In any event, we were all pretty well satisfied that the tax on land and buildings could at least be deferred except for this. A few of us began receiving strange reports that farm groups such as the Canadian Federation of Agriculture, the National Farmers' Union and the Ontario Federation of Agriculture were not getting firm answers to the questions they had been putting to the minister and officials of his department. Therefore, the hon. member for Grey-Simcoe wrote to the minister and asked for a specific answer to this question: Does the deferral of capital gains tax apply to both land and buildings? The answer, dated March 9, 1973, included a lot of the usual gobbledygook about parts XI and parts XVII of the act, "deemed disposal," "recipient descendants," and so on. However, one part of the minister's letter is very clear. It reads as follows:

• (2020)

> The deferment of capital gains tax does not apply to farm buildings or machinery. There will be no change in the basis for valuing the buildings and machinery.

What are we to believe, Mr. Speaker? What are the farmers of Canada to believe? Are we to believe the minister's answer in this House on February 28 when he said, after consulting the Minister of Finance, that the deferral included the complete farm, or are we to believe what he said a few days later in his letter of March 9, that the deferment of capital gains tax does not apply to farm buildings?

If we believe the minister's letter which indicated that only raw land is considered, then this simply has to be a gigantic hoax perpetrated by the government on the farmers of this nation. Is this government serious in believing that farmers across this country shall secure valuation on land alone? Will the government ask these Canadians to consider a family farm as land alone? The whole proposition is so preposterous that it would be laughable if it were not for its tremendous tax implications.

I listed four points of misunderstanding and concern and I have spent most of my time on the fourth point in the hope that a minister will tell this House just what farm assets are subject to capital gains tax and what farm assets are not.

Mr. Benjamin: You can only exclude the wife and the hired man.

Mr. Jarvis: Let me return to the first area of misunderstanding, that the parent must die before the tax can be deferred on the passing of the farm to the child. Mr. Speaker, I submit to the House that this is not only unsatisfactory; it is deplorable. Many whose opinion I value share this position. For example, *Farm and Country* magazine published on March 27 a story headed, "Leaving a farm to a son in a will has never been a satisfactory means of transferring the farm from one generation to the other." Let me quote from that story by Lyall MacLachlan. It reads in part:

> There have been too many cases where sons have reached their fifties and had nothing for their years of hard work on the farm except a promise of the farm when father was gone. As the years pass by, family relationships often change, as a daughter-in-law and then grandchildren appear on the scene. We all know wills can be changed at any time . . .
>
> Those of us who counsel and help farm families with their transfer programs have been striving to get away from the idea of leaving everything in the will. We urge farmers, depending on their individual circumstances, to start a tranfer program as early as possible in their lives and not to depend on their will for transferring the main farm business.
>
> The proposed change in the Income Tax Act will encourage farmers to do the very thing we have been working to change. However, perhaps when the details of the proposal are known, it

will include deferment on any capital gains tax when a father transfers his farm to his children while living.

What a vain hope that was, Mr. Speaker. In the same publication there is a story concerning Gordon Hill, president of the Ontario Federation of Agriculture. The story is headed, "Budget moves undermined Whelan, Hill warns federal cabinet session", and reads in part:

Federal budget proposals hurting Canada's farm population 'have undermined the confidence we have in (agriculture minister) Gene Whelan,' the federal cabinet was told recently.

'Also, it's undermined the confidence we had in the government,' Gordon Hill, president, Ontario Federation of Agriculture, added. In an open confrontation, he said the move on capital gains and elimination of the tariff on imported fruit and vegetables plus beef had 'shocked farmers.'

'It's bloody well not good enough,' snapped Hill. Exempting farms from a capital gains tax only on the death of the father 'keeps young men hanging around waiting for the old man to die.,—

Hill said the appointment of Whelan as Minister of Agriculture met with farmer approval. 'He's doing a good job. He's talking the farmers' language. He was convincing farmers that the federal government was trying to solve their problems. Then came the Turner budget. Now we've got a lot of doubts.'

Finally, let me read an editorial in the same publication, written by Don Coxe. It is headed, "Tax deferral misleads farmers". According to the story:

Turner's budget move was hailed in government press releases as 'solving the problems of family farm inheritances.' In reality, what Turner has done is to give a tax deferral to those heirs who are Canadian residents at the time of the death of a parent owning a farm which they inherit; those who stand to benefit most are those whose families have done no estate planning.

He concluded this thought by saying:

'Better dead than in the red' could become the watchword of farm estate planning.

In order to be absolutely fair to the Minister of Agriculture, let us consider for a moment what he has been telling farmers and farm organizations across this country. I believe I have read every speech he has made since the budget speech, and there have been many. Let me begin by quoting what he said to the Canadian Horticultural Council, at the Château Laurier on February 27, 1973:

Farmers specifically got an exemption from the capital gains tax for family farms passed from parents to children.

Later in this speech he said:

—the budget has brought important gains for farmers, and in particular the exemption from capital gains for transfers of family farms from parents to children.

Next let me read from the speech he delivered to the Waterloo County Federation of Agriculture. He said:

The capital gains tax was changed for farmers who pass their farms on to their children.

From there he moved to Port Elgin, Ontario, and addressed the farmers during the Saugeen and district farmers rural-urban night. He said:

In closing, I would like to review some of the gains farmers made as a result of the new budget announced last month. First of all, farmers got a cut in income taxes—by as much as 47 per cent for those with an income of $5,000. Second, there was the exemption from capital gains tax for farms passed on from parents to children.

[Mr. Jarvis.]

Finally, let me quote from the speech he made to the Farm Forum at Weyburn, Saskatchewan. He said:

In the budget speech last month, we announced a change that will exempt family farms from the capital gains tax if they are passed down from parent to child.

Those are fine words, Mr. Speaker, but one must be particularly impressed by what the minister did not say to the farmers of this country. First, he has not said a farmer must die first; he has not said that in any speech. Second, he has not said that the tax is only deferred. He spoke repeatedly of tax exemptions. Third, he has not told farmers of the residency rule. Fourth, he has not told the farmers that the provisions apply to land only, if indeed that is his understanding and that of the Minister of Finance. The minister, even though he will not deign to inform the farmer, has given him some advice. I refer to his remarks as recorded at page 1580 of *House of Commons Debates* for February 22, 1973. He said:

I am happy to see that the budget aims at preserving the family farm. The tax concession does not apply to the corporate giants but to farm families who pass on their farm from one generation to the next.

I think the change is important enough that farmers should consult a lawyer—and even for a farmer this is a concession—or an accountant if they are planning a transfer of their farm to their son, son-in-law, daughter or whoever it may be. There are several methods of transferring a farm from father to son or daughter including gifts spread over a number of years. A good accountant can tell them how this can best be done. The change announced in the budget changes the rules of the ball game, to the benefit of the family farm, and I want every farmer to get the most he can out of these concessions that are rightfully his.

From the day this session commenced to the present day, the Canadian farmer has been misled, misinformed and mistreated; and not one incident can be found of this government's willingness to inform farmers of the exact nature and import of the capital gains tax legislation in a frank, open and honourable manner. In closing, sir, may I quote again from the remarks of the minister to this House as recorded at page 1582 of *House of Commons Debates* for February 22. He said:

• (2030)

We have talked about the family farm. It is easy for many people to talk about a family farm, people who really have no feeling in this regard. I think one has to be raised on a family farm to really understand what it means and to have the feeling of having produced crops. One must be in this position to know what it is to create things. I have been criticized before for saying I feel that farmers are the salt of the earth and closer to God because they create things.

In light of what has been produced by this government with regard to the family farm, I can only say, Mr. Speaker, that it is a good thing our farmers are close to God, because about all the Canadian farmer can hope for now is divine intervention. Finally, I wish to quote what my leader said in Regina on September 15, 1972:

We will act to ensure that capital gains tax does not apply to transfers of average sized farms within the family unit.

Some hon. Members: Hear, hear!

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to say a few words on this bill. First I wish to quote from a letter sent to one of the British Columbia members by a farm organization in that province. It lists three items

the farmers in that area would like to see in the tax proposals which are passed into legislation. They are as follows:

(a) the need for farm transfers within a family without capital gains taxation.

(b) the need to remove taxes from the sale of marketing quotas.

(c) the need for maintenance of the basic herb concept.

They are not asking for a great deal. It will not cost the government a significant amount of money and will not bankrupt the Canadian economy. It could be done without causing a great deal of distress to the Minister of Finance (Mr. Turner). It may even help the Minister of Agriculture (Mr. Whelan) to look like a better guy. However, it is aparently just too much to hope for.

The basic problem of the government and those who plan our taxation system is that they do not understand what it means to let agriculture survive in this country. Never mind helping them to survive, but just to let them survive. That is our problem. The government is hopelessly behind the times in its thinking. They are attempting to have a taxation system that was relevant to agriculture 15 years ago. That is another problem: the practices in farming are changing very quickly.

The second item with respect to the need to remove taxes from the sale of marketing quotas would not have been raised in this House or this country 10 years ago, and certainly not 15 years ago: I think I am absolutely safe in saying 10 years ago. However, it has now become a very important factor in the operations of a significant number of farmers in Canada today. The dairy industry, to name only one sector, has gone the furthest in making a saleable quota part of the total marketing operation. Perhaps it should not have been done that way. I think better methods could have been devised, but that is beside the point. The point is that in many areas the industry now operates in that way.

If a cream shipper—I do not refer to the big shot dairy farmer, but the ordinary person milking 10 cows and shipping cream, or the person milking 10 to 15 cows and shipping industrial milk in Saskatchewan or many other provinces—has to purchase a quota, he has to borrow money. He is making an investment. If he borrows money, he has to pay interest. If he sells his operation, he must either try to recover that money, sustain a loss or those who take over the operation from him must sustain a loss. The present taxation provisions make it difficult for them to finance the operation.

I do not know whether this government and the minister responsible seriously want the kind of farm we have in Canada today to survive. They had better make up their minds pretty soon. The kind of taxation imposed decides, to a very considerable extent, the type of farm that will continue. The manner in which transfers take place, how money is invested and how the farm is passed from one generation to the other is decided by the taxation system. If the taxation system makes it impossible for family farms to finance their operations, they will cease to exist.

I now wish to deal with item (a), the need for farm transfers within a family without capital gains taxation. In their wisdom, those who planned our taxation system said, a farmer can transfer without capital gains taxation, but he must die before he can do so. There are not many tax provisions where a person must die before he is entitled to an exemption, but that is the case here. What about transfers that are made while the farm owner is still living? Most farmers I know do not want to hang on to the farm until they go to the cemetery; they want to be able to turn it over to their son, son-in-law or whoever it may be. Many prefer to quit so they can relax and take it easy. They may wish to help the son or the family along for a few years. But no, this cannot be done. They have to cash in their chips to get any benefit from this provision. I do not understand why.

• (2040)

Perhaps the minister has some good reason why it is so. Maybe it will cost the government less money if farmers have to die before passing on their land, rather than passing it on while they are still alive. If that is the case, I think the minister should tell us. I think only a few of them will be able to pass it on if they wait till they cash in their chips, because the children will get tired of waiting and will leave. Perhaps the minister will get some more money in that way, but he should at least tell the House why this particular method was chosen.

While the minister is at it, he should also tell us why he did not give consideration to the position of family farm corporations. We now have a significant number of farms run by a father and son or by a family corporation. These farms are also transferred, yet no reference is made to them in the bill. This bears out by my belief that the drafters of this legislation did not understand what they were dealing with and did not choose to consult anyone who did. I get a bit irked when I think of people in my constituency in Saskatchewan who are trying so hard to run their own farms and produce grain, cattle and hogs, yet their ordinary needs are not considered.

Mr. Speaker, there are enough economists in the Department of Agriculture, and I do not know what the Minister of Agriculture is going to do with them. He said that he did not like economists; I have heard him make some harsh remarks about them. But let me tell the minister that they have been the fastest growing force in his department during the last three or four years. The minister has spent more money gathering in economists than gathering in anybody else.

Mr. Whelan: Not me.

Mr. Gleave: Not you; but you have them, buster. Having acquired all these economists, they cannot even tell the Department of Finance how to arrange a taxation system that will enable the farmers to continue operating. It is either that or the Department of Finance will not listen to them.

We tried to talk the government into leaving the basic herd alone so that farmers would be able to build up and maintain a stable herd of cattle. But even that was too much. No minister of the government has stood in this House and explained why the government could not afford to leave the basic herd as it was. If there is a reason, why does not a minister tell the House what it is? That is the logical and reasonable thing to do.

All of us have to pay our share of taxes and, goodness knows, they are high enough. Although we are prepared

to do this, one of the basic precepts of income tax is that it should not kill the goose that lays the golden egg; in other words, it should not destroy entrepreneurial activity, if for no other reason than that this activity produces revenue. I should like to know how much tax the government is collecting from dairy producers in foreign countries who are going to sell Canada over 25 million pounds of butter. Are the economists that the Minister of Agriculture has in his stable going to advise the government how to tax butter producers in New Zealand or other countries? The government ran out of time to pay subsidies so as to get the cheese factories out of business in Ontario. This year they gave them an extension of time so they could collect the grant to quit producing cheddar cheese. The government could have saved taxes by not paying the cheese factories not to produce cheese.

I say it is about time the government started to think about the ordinary guy in the farming business in Canada. The government has programs to get them out of farming. The agricultural adjustment program was another scheme the government dreamed up in some back room to kill off the taxpaying farmer of Canada. They wanted them shuffled out. I do not know whether these farms will get any better, but they are certainly going to make them bigger. There is a good scheme going now to get them big enough that Kraft will buy all the milk. Then you will have a one-man show.

The government will then have the problem of trying to get Kraft to pay income tax. Kraft will probably move its head office and the government will be pretty badly strapped. Before the government finishes its grand master plan to close down the cheese factories and let Kraft take over, it had better develop some method of getting tax moneys from Kraft. Otherwise, the government may experience some small difficulty.

The government has set up some pretty good outfits. For example, there is the Canada Grains Council. I asked the minister about this today. The government gives this council some of the taxpayers' money, then the council publishes a little pamphlet which is just like the one put out by the Department of Agriculture. So there is more duplication there, but I do not know whether they think it is important. The minister in charge of the Wheat Board is also responsible for this council. He sends out questionnaires to find out how farmers want their two-price wheat system implemented. Then these retired farmers write us letters asking how they can get paid their share. These are the retired people for whom the two-price wheat system fails to provide, the people who have retired and whose sons have taken over their farms. They write to us saying they are dependent on their farms for some of their income and that they want their share.

• (2050)

The government and the minister are not really thinking about the ordinary operator and how he can solve his problems. Today the Canadian Co-operative Wool Growers met in Ottawa and invited the minister to speak to them at the Chateau Laurier. An hon. member who represents a number of these people was in attendance. I am not sure whether he heard this statement, but he should have because it is indicative of the situation on farms throughout western Canada. The statement made by the minister to the wool growers' association was as follows:

> I think one of the most important challenges you face right now is to make the industry grow, and to get more farmers into the business. I say that because I believe you don't have enough volume to build up a consumer market. You don't have enough volume to make it attractive for businessmen to invest in a top-notch marketing system, including packing plants.

It does not matter whether it is the wool growers or anybody else, if they are to obtain an increase in the price of their products and invest more money in the industry, they must have confidence that they will be able to obtain a reasonable return. They must be confident in the belief that if they invest, their money will be secure and they will be able to make a decent living. If farmers do not have that confidence, they will not stay on the farm.

The minister has said that dairy farmers in Ontario are not able to employ enough workmen to operate their farms. I suggest this is because we have persuaded too many young people to leave the farm. Anyone who has observed population trends knows that it is easy to convince young people to move from rural areas to the city, but extremely difficult, once they have become urbanized, to persuade them to move back to the country and work in a rural environment. That is what has happened in this country. The minister agrees that it has happened because we have not provided encouragement or security to young people living and working on the land. Instead, we have developed policies which result in the very opposite, namely, encouraging people to leave the land.

I recall attending a meeting during the election campaign in a little place called Hafford in the northern end of my constituency. This meeting was arranged by people involved in the dairy processing industry and officials of the provincial government: they got these people together to persuade them to go back to milking cows and producing industrial milk. Some five years earlier these people in the town of Hafford were milking cows and shipping cream. The dairy commission changed the method of quota payments, and many of the producers dropped out of the industry. Some of their sons and daughters had left the farm and had no intention of returning. I assure the Minister of Agriculture that we in Saskatchewan will have an uphill job getting these young people back to the farm. This is mainly because of politics adopted by this government.

The same situation exists in the hog industry. There was a real upsurge in hog production in 1969 and 1970. Then we hit a downturn in price and this government did not make any move to protect the producers until it was too late. We will now have a difficult task increasing hog production.

I see that the Minister of Finance and the Minister of Agriculture have got together. I do not know at this point whether they are discussing a charge in these taxation proposals, but I hope they are.

An hon. Member: One or the other should resign.

Mr. Gleave: An hon. member suggests that one of them should resign. I think that is an excellent suggestion. At least they have sat at the same desk and are talking to each other. Perhaps they could confer long enough to

come up with a realistic approach to agricultural policy in order that we will have a taxation policy that will enable our farmers to survive.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I was born and raised on the farm; consequently, I have a feeling for the way of life on Canadian farms and for the many problems and dilemmas which farmers, young and old, face today. I know, for instance, what difficulties young farmers face when they take over their father's farm of agricultural business, as we like to refer to it today, after the father has retired or has died. For this reason I shall confine my comments to the parts of the bill which relate to agriculture.

The bill before us today is inadequate. It forgives the capital gains tax only in the case of a farmer dying and passing his farm on to his son, daughter or another member of the family. It is ridiculous for such a concession to be made only when a farmer dies. Let us consider the perfectly logical case of a farmer in his forties who has a son in his early twenties, a son who is willing and anxious to get into farming—which is perhaps rare today. Perhaps the farmer is prepared to give all or part of the farm to his son in order to get him started, but the son finds out that the capital gains tax would be prohibitive and he could not own the land on which he would toil until his father's death.

I am a young person who recently married. I am not sure it is my political life that is the cause, but we are just beginning to plan a family. I will have the same feelings as my father, and his father before him, who worked very hard to make sure their children would benefit from their work and have a better life than theirs. Our pioneer forefathers spent long hours hewing out a living on the land in anticipation of a bright future for themselves and their children. I resent very much an attitude on the part of any member of this House which would indicate that one generation has no right to pass on wealth in the form of capital farm assets such as land and machinery to another person of the same family.

• (2100)

I think this is a step backward and one which takes away the incentives which have been inbred in our people through the free enterprise system. This is what the government is doing to our bona fide rural farmers by imposing capital gains taxes on farmland and farm machinery, and by taking away the basic herd concept. The farmer has limitations that other businesses do not incur. If a farmer has an increase in the cost of his input, such as fertilizer, machinery, sprays and everyday expenses, he is unable to add these to the price of the barley he grows or the steer he sells. He must pay the increased costs of inflation, labour and other inputs which, should a machine company be faced with them, would simply be added to the price of the product sold to the farmer.

We might consider another set of circumstances in which a young farmer could afford to purchase some of his father's land, or take a loan to do so, only to discover that the capital gains tax was prohibitive because land values had risen tremendously in a speculative area. This is a common situation in my constituency and in many constituencies close to metropolitan areas. Areas within 30 or 50 miles of a metropolitan area find that land prices have risen because many people have moved into the small towns. I suppose this population flow from the cities is all right in this instance because it takes away from the urban sprawl. But because of this situation land prices in the area skyrocket.

My point is that long before there is any actual development there is excellent arable land available for farming for a period of 10, 20 or even 100 years. It is not fair that young people who happen to live in rural areas should be subjected to a high capital gains tax. We have seen in the past few years recommendations by accountants and agricultural experts to the effect that farm people should incorporate in order that they could pass on partial or total ownership through shares from father to son in the form of a gift, to the allowable limit. My reservation is that this means of transfer should occur free of capital gains tax.

One of the most undesirable aspects of this bill and of other recent tax legislation is the terrific burden in respect of bookkeeping and computation which is placed upon the farmer. Many of our farmers, as many hon. members are aware, are not yet caught up in an agribusiness concept of operation. They keep records in their head, in an old shoe-box in the barn, or elsewhere. Undoubtedly, this is not the most efficient, modern way to proceed. However, it is a fact of life. Most older farmers are set in their ways and will have difficulty adjusting. I hope the government will provide assistance for farmers to complete their returns properly, and will see that farmers are not penalized or prosecuted due to genuine and inevitable confusion and misunderstanding in this transitory period.

In addition, as I have pointed out previously to this House, capitalization costs for farms are rising at a tremendous rate. The average capital outlay for a new farm in 1971 was $37,000. Today the figure has reached $80,000. At the same time, the number of census farms in Alberta, and in Canada generally, has dropped off rapidly, and the average age of farmers is increasing to the point where it is now 50 or more. This is not an unusual situation, I might add, in view of the attitudes implicit in the bill before us. It is unfair to impose a capital gains tax on a young farmer who takes over from his father who may have been running the farm on the 1950 basis, because the new farmer may find it necessary to update the equipment and perhaps purchase another quarter section of land in order to make it an efficient farm unit. The young farmer would have difficulty obtaining a loan, not only for the purchase of the land but for bringing the farm up to date, without having the imposition of a capital gains tax upon the takeover.

I am one who believes in rural values and rural ways. Amidst the hurly-burly of city life, its glamour and excitement, all hon. members and indeed all Canadians from rural areas know the special feeling and characteristics of country life, such as the opportunity for reflection and quiet, the stern reliance on self-initiative and self-discipline and the avoidance of government paternalism wherever possible. I believe that such basic values, including the work ethic, were instrumental in building Canada and

are not irrelevant today. Indeed, I believe they have as much to contribute to the future as they did to the past.

We should look at the hippy attitude and learn something from it. They led the movement away from urban smog back to the soil, back to nature and back to the natural life. As the pace of our lives continues to mount, we need even more the balance and perspective that the rural values of Canadian life have to offer. The preservation of rural communities, which the present bill does not aid as effectively as it should, means that the basis of our society, the family, should be able to stay together.

Communities are preserved only because succeeding generations continue to work and remain there for the good of the community. Young people are kept on the farm, join 4-H clubs and obtain the reverence and respect for this life which will impel them, wherever it is financially possible, to stay on the farm and see that people do not join in the mass exodus to the cities because it is possible for them to remain on the family farm. I find that some towns which develop close to cities and lose their farm atmosphere suffer severe social problems as a result. I have seen examples of this in my riding. The smaller rural towns 15 miles or so away from the cities find they are growing rapidly because of improved commuter transportation, and so on. Homes are being broken as fathers work away from home for longer periods of time. The children are left to play on the streets since their former clubs and meeting places have closed down. Drugs become a large problem in these towns.

I reiterate how ridiculous it is for this capital gains tax to stand in the way of retaining the farm atmosphere. Most farmers put all their profits and savings back into the farm during their lifetime. The farm is essentially their retirement fund. If it is prohibitive for them to sell their farms to their sons, then it is small wonder that so many farms are closing down. The hard work of a farmer often necessitates his comparatively early retirement. It is unfair for a farmer who must get some capital for his retirement from his farm, to have to pay or have his son pay capital gains tax. If this government is in fact committed to preserving the family farm and is not merely paying lip service to a remote ideal, then it should eliminate the capital gains provisions completely on any farm transfers within a family unit.

The people of the west are not deceived, as the Prime Minister (Mr. Trudeau) found out last October, by rhetoric and hyperbole. While they know that this bill is a step in the right direction, they also know it stems not from any real appreciation of our needs and desire to maintain the family farm in Canada. I conclude by repeating that this legislation is a baby step in the right direction, but further steps must be taken to remove the capital gains tax from the family farm unit.

• (2110)

Mr. Harry Olaussen (Coast-Chilcotin): Mr. Speaker, to say that our tax system is unfair to those in the lower income bracket is to repeat the same old story over and over again. However, I will repeat it once more and say that our tax system has never afforded fair treatment to Canadians. We may increase a few benefits here and a few benefits there, but the over-all result remains the same. As long as the voters of this country are willing to accept these inequities in our tax system, the basic problems that exist in this system will not change.

Low-income groups continue to bear a disproportionate share of the tax load. They are also the unfortunate target of federal and provincial sales taxes which result in their paying a greater percentage of their income in the purchase of goods than those whose incomes are substantially higher. For them, tax relief is available when amendments to the Income Tax Act are brought in, such as the one we are debating tonight.

For the old age pensioners, the proposed increase in exemptions from $650 to $1,000 to all persons 65 years of age and over will undoubtedly give them some relief, temporary relief, that is supposed to enable them to cope with increases in food prices and other essentials. For students, the proposed deduction of $50 a month in computing the taxable income will be a welcome relief during a period when there is a loss of income which might otherwise have been earned. It will also no doubt be a welcome relief for those parents who have to bear the extra costs of education and other related expenses.

However, as we look at the over-all picture we must not lose sight of the fact that these token gestures do not reflect drastic changes which are necessary if we are to achieve any measure of a just society. It is high time we began to use our budget as a long-term planning device rather than a mere short-term response to particular crises. We must make a choice as to what our goals should be. Are we to have economic growth? Are we to have price stability? Or are we to have income redistribution and the alleviation of poverty?

We will never really exercise such crucial choices so long as we continue to be obsessed with mere means and methods rather than long-run objectives. Every time there is talk of tax reform we hear loud voices of protest from those who fear they may be deprived of their familiar loopholes—their expenses, entertainment allowances, dividends, depletion allowances, capital gains and other artful tax shelters. These protests usually come from those who are well organized, highly visible and vocal and easily make their demands known through well financed lobbies and pressure groups. Such is not the case with those who are unorganized, undereducated and relatively powerless. They are used to expecting little and getting less.

In conclusion I can only say that I welcome the deductions in this bill. I welcome them because they are essential under the present system. I welcome them because there are those whose needs are such that these deductions will enable them to live just a little better.

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, it is my intention to confine my remarks on Bill C-170 to the amendment dealing with the transfer of farm property by a farmer to his child. This really reinforces the comments made earlier by the hon. member for Coast-Chilcotin (Mr. Olaussen) and the hon. member for Perth-Wilmot (Mr. Jarvis).

In the riding of Lambton-Kent we have a very impressive historical record of Century Farms, yet despite this living testimony of family farm units there has been a

steady migration, in particular of our young people, from the rural communities to the urban centres because of the economic uncertainties of a future in agriculture. This fact, of course, has been well substantiated by Statistics Canada. The figures for 1971 reveal a drop of 24 per cent, in five years, of Canadians living on farms. Less than 7 per cent of Canadians now live on farms, compared with 10 per cent in 1966 and 12 per cent in 1961.

The declining number of farm residents coincides with a similar drop in the number of the nation's farms. In 1966 there were 430,522, and in the last year for which I was able to obtain statistics there were 366,128. In addition, there has been a decrease in the number of farmers who are living on their farms. In many instances they find it necessary to live and work in towns and cities to supplement their income so they can retain their farms.

I can assure the House that the agricultural community of Lambton-Kent is deep in tradition and proud of its farming heritage. When the initial legislation proposing the capital gains tax on the transfer of farmland was introduced, they were quick to realize that the gradual erosion of the family farm unit, which had been evident in the entire agricultural community, would not be greatly reduced. The farmers of Lambton-Kent are knowledgeable, capable of interpreting government action or, in the instance of that piece of legislation, government inaction in responding to their pleas. They realize this government has a paucity of ideas for an effective agricultural policy. Add to this the crippling capital gains tax on the transfer of family farms, and it is not difficult to realize why our farm community has lost confidence in the government. Indeed, farmers are entitled to ask if this government has an interest in Canada's primary industry, namely, agriculture.

I know this issue is of major concern to the entire farming community of Lambton-Kent and I know I speak for that entire community when I earnestly urge that amendments be made to the bill which is presently before the House. We welcome in principle the introduction of the provision which is in keeping with the position this party has clearly outlined in the past. Unfortunately, the provision, although a move in the right direction, is far too restrictive for sound farm planning and I am certain it is not too difficult for hon. members to visualize the innumerable awkward situations that can arise from such a restrictive provision.

I wish to remind hon. members that when the original legislation was introduced to the House, the Senate committee recognized that farmers occupy a special position in the society's economic structure. They realized that over the years this part of the economy has been subjected to pressures leading to changes in the nature and use of farmland. They realized that there was a continuing trend of dissolution of the family farm and they urged that measures should be taken to reverse it. They strongly recommended that land, together with any other capital property used by the individual in a farming activity, should be allowed to be transferred during the lifetime or on death to descendants without being subject to capital gains tax. I support that view and strongly recommend the proposal.

Another problem that frequently mitigates against sound farm planning, and on occasion has a deleterious effect on the family unit, is the inability of a farmer to sell his farm property to buy another farm which may be more socially or economically feasible in terms of the entire scope of his operation. I cannot see the logic of penalizing a farmer in this instance with a capital gains tax and would strongly urge the correction of this inequitable situation.

Another matter which I would like to bring to the attention of the government relates to the evaluation of land, or to land valuation. Mr. Speaker, I found it very disconcerting, on April 4, as recorded in *Hansard* at page 2968, when the following question was asked of the Minister of National Revenue (Mr. Stanbury) by the hon. member for Pembina (Mr. Hollands):

• (2120)

Mr. Speaker, I should like to direct a question to the Minister of National Revenue concerning the land evaluation taking place in Canada for tax purposes. Would he inform the House whether the property owners whose properties have been appraised for tax purposes have been notified, and, if so, is there an appeal procedure to handle these evaluations?

The Minister of National Revenue replied as follows:

Mr. Speaker, the evaluations that are taking place are for the purpose of future reference. They do not necessarily have any status in law at this point. Valuations from any source can be considered. This information is being gathered to assist parties in the future determination of values.

I believe the significant part of that statement is that they do not necessarily have any status in law at this point. Surely there should be some direction as to whether or not valuations will actually be accepted at this time. Surely, sir, the government must have the ability to arrive at some formula. I am sure many formulas could be devised for land valuations.

The last point I would like to deal with, which I feel requires attention and correction by the government, is an allied problem which discriminates against many of our farmers with the existing Income Tax Act. I can best illustrate this by citing a specific example recently brought to my attention by a constituent. A farmer and his son had hoped to convey their farm properties to their own corporation. The Income Tax Act in its present form states that any gain on a deemed disposition or sale of a principal residence of a taxpayer, including the one acre, is not subject to tax under the act. In the event that the dwellings were included in the farm sale to their company, they would not receive this benefit.

However, if the father and son were able to sever the one-acre parcels from the farmland and retain them as their own private dwelling, they would not have been taxable under the act. But the municipal act authorizes townships to pass bylaws controlling the severance of property, and in this particular township, as well as in many townships in the province of Ontario, a bylaw exists to the effect that no area of less than ten acres can be severed from the farm property. In such cases, the township committee of adjustment refuses the one-acre applications since they contravene their township bylaw. In other areas where it is not necessary for the township to have such a bylaw, one acre of land properties can be severed and the remainder conveyed to farm corpora-

tions. Of course, this means that farm owners residing in those areas have a decided tax advantage over farm owners residing in areas which have a ten-acre by law.

This places the farmer in a most unfortunate situation. Under capital gains tax legislation there is no consideration for his dwelling, while on the other hand under the township bylaw he cannot have the house severed from the farm. To summarize, Sir, as the legislation presently exists there has been no consideration by the government to recognize the necessity of different severance bylaws in the townships, which are fundamental on their part to effective planning, and there is obvious discrimination to the farm community when adequate consideration has not been given to the formation of limited companies.

In conclusion, Mr. Speaker, I welcome the amendment but I re-emphasize that it is far too restrictive for sound farm planning and I would urge that serious consideration be given to the proposals I have outlined. If the government is interested in preserving the family farm, surely it will be prepared to take action on these reasonable requests which come from the farming community.

Mr. John Harney (Scarborough West): Mr. Speaker, I think I will follow the example of the two previous speakers and be as brief as possible, although I must give you due warning about an occupational habit of mine, that as a former university lecturer I tend to go for 50 minutes until the bell rings. But I will try to see if I can finish in five minutes.

Although there is very much to be said about this bill, there is one very small item which I want to talk to tonight. It is small but it does affect some people in this country, not a large number of people, rather intensely. I refer to section 81(1)(h) of the act, which since 1970 has received revision. In the old form of the act it was section 10(1)(h). Now it has moved to section 81(1)(h). I take some comfort in realizing it is possible for tax acts to be amended. Under the old form of the act, section 10(1)(h) used to read:

> compensation received under an employees or workmen's compensation act of Canada or a province in respect of an injury, disability or death,

This kind of compensation was to be included in amounts not included in computing income. It has been proven possible to change the act, because the present consolidated version in section 81(1)(h) reads this way:

> compensation received under an employees or workmen's compensation law of Canada or a province in respect of an injury, disability or death, except any such compensation received by a person as the employer or former employer of the person in respect of whose injury, disability or death the compensation was paid—

I want to speak in favour of looking at this part of the act a little further to see if it could be amended, because the kind of case I want to raise now, as I suggested a while ago, may not be numerous but it is rather harsh in its nature. I have received representations, as I am sure other hon. members have, from people who have been paid disability pensions in compensation for injuries received while they were working for units or entities which were not covered, strictly speaking, under the workmen's compensation acts of their respective provinces.

[Mr. Holmes.]

I can bring before the attention of the House one particular case, that of a Toronto firefighter who was injured in 1955, in fact injured seriously enough to be granted a rather significant disability pension. It turns out that this man has his pension taxed because, according to the law, his pension is paid under the Toronto fire department's superannuation and benefit fund. The pension was clearly granted for his disability; it is a disability pension. However, at the time he was working for the Toronto fire department the employees of that department were not included, by reason of provincial legislation—not by any choice of their own—under the workmen's compensation act. Still he has his disability pension. He and a number of others are paid out of the superannuation and benefit fund, but in this case it is clearly a disability pension.

Over the years this man has tried to have this pension included in that kind of income which is not considered for taxation purposes, just as workmen's compensation disability pensions are not included in income to be considered for taxation purposes. But, of course, his appeals and his attempts have proven unsuccessful, although he has met with an enormous amount of sympathy. He has gone to appeal boards of the income tax division and he has been told that they would recommend that the law be changed to allow him an exemption.

• (2130)

He has spoken to what he calls government lawyers who agree with him and say, "You are absolutely right; your disability pension should not be taxed." But the fact is that the law is quite clear; on the one hand it says a disability pension granted under a provincial law providing for workmen's compensation shall not be taxable, and on the other hand in other sections the law says that benefits paid under superannuation or retirement funds are taxable. The simple point of the matter is that although this man's disability pension is paid out of the retirement or superannuation fund, it is still, I repeat—and if I have to repeat it again, I will—a disability pension and should not be taxed.

I know it is very difficult to have the machinery of parliament grind fine enough to take care of the few cases of injustice of this kind. I cannot tell you, Mr. Speaker, how many cases there are across the country. I know of this man's case, and I know with regard to the Toronto firefighters that there are about a dozen such cases. We can guess that across the country a significant number of people are suffering under this injustice. But even if there were only one case it would be reason enough for parliament to take action now to correct this kind of injustice.

For a very brief time we will be considering amendments to the act. Since 1950 we have been able to add a grammatical clause to section 81(1)(h). The purpose of the clause—when we get to committee of the whole we can discuss it—is to define this kind of disability pension, even though it comes under a superannuation fund, as a disability pension and therefore remove it from taxation. Surely, Mr. Speaker, it will not take a lot of effort for us to do that. I could understand, if this bill were not before us now, that it would take a lot of effort to do so, and perhaps we could justify our inaction on the basis that we cannot steam up the vast machinery of parliament to take care of this single, simple case.

However, the bill is before us and I am sure there would be no difficulty at all in the minister proposing this kind of amendment. He has proposed all kinds of amendments to the act, and I am glad to see that a lot of work has been put into it. In the bill before us, clause 23 proposes quite a number of changes to section 80 of the act.

I appeal to the House and to the minister to take a few moments of our time to consider this question. I am sure most of us would agree that this man's case is extremely valid and his cause is just. We would like to bring about the kind of change which would finally bring justice to this kind of situation.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I am very pleased to take part in this debate. My remarks will be from the viewpoint of a farmer-rancher from western Canada. My main association with agriculture over the years has been in the production of beef cattle on the short-grass ranges of southeastern Alberta.

The provisions of the present tax structure with regard to family farm transfers were a most important issue in the last election. I do not think there was any topic that came up more often—perhaps not during meetings but at the back of the room over a cup of coffee—than this subject which most members from the rural areas are talking about tonight. It is most important to me.

The new proposals, in this regard, in Bill C-170 are of the utmost importance to agriculture. I refer, of course, to the tax deferral provision that will permit farmland to pass tax-free from one generation to the next within the family. At first glance, I suggest it would appear to be the complete answer to the criticisms of the existing tax set-up. However, it is really much too limiting in that the proposal only applies when the farm property is transferred by inheritance on the death of the father or mother. For sound estate planning, a farmer should not have to die in order to have his children take over legally and officially.

Let me give the House a typical example of a family farm transfer. This is a very real problem that is presently being discussed in a family in the Medicine Hat riding. It was brought to my attention a week ago when I was home for a visit. A 65-year old farmer and his two sons, aged 34 and 29, came to see me about turning the father's farmlands over to the two sons. Nine years ago the father had helped the eldest son get started on his own by backing the son's Farm Credit Corporation loan with some of the father's land as security. Five years ago the younger son got started on his own in the same way, with another FCC loan again backed by the father's land as security.

Now, at the age of 65, the father would like to retire and sell his land to his two sons. Because the Farm Credit Corporation's contracts with the two sons are not open-ended, they will not release the titles to the father's land and the proposed sale to the sons cannot be completed. In addition, the father had assumed he could turn over his farm at his cost to his sons without a tax and, of course, be able to enjoy his retirement—alive! In addition to the tax deferral provision, this situation also points out very clearly some of the inadequacies of the Farm Credit Corporation of the federal government.

We have all heard many times, and I am sure under many circumstances, of the so-called family farm problem. I am convinced, Mr. Speaker, that it is not so much a family farm problem as a "young farmer" problem. To me it is the most underestimated Canada-wide problem in agriculture today. It is no wonder our food costs are so high and are going higher. It is a case of fewer and fewer farmers on larger and larger farms that become more difficult to finance every time they change ownership.

The 1971 census shows that the average age of farmers in Canada was 49.1 years. This is an increase of 0.2 years in the five years since 1966. Less than 7 per cent of Canada's population are now farm residents. The number of farms in Canada declined 10.4 per cent between 1961 and 1966, and 17.2 per cent between 1966 and 1971. Young farmers, even with the best intentions, are having increasing problems in financing their own new farm, even from their parents. There is no stampede of investment capital into straight farmlands today. This is all the more reason why the Farm Credit Corporation and this capital gain deferral provision must be restructured to provide the incentives for young farmers to become established and allow their parents to retire at a reasonable age.

The new budget provision allowing livestock to be brought into inventory up to fair market value is a welcome provision. Once again, however, it does not go far enough in providing for a capital herd or the recognition in the tax law of the validity of treating breeding animals as a capital asset. In addition to these two suggested changes, three other tax items are suggested for inclusion in the approach to this new tax act. The capital gains roll-over provisions should also apply to what I term the family corporate farm as well as the provision for principal residence exemption. Five-year averaging for incorporated family farms should also be permitted.

• (2140)

The income tax definition of the term "farm" is much too broad. Surely it is time for a new definition that will more properly serve the more active and meaningful members in this industry. I have used the terminology "family corporate farm" in this debate. This type of farm administration has become necessary in order that a good many family farms can continue to operate as viable institutions.

I should like to bring these comments to a close by reminding the House what the Minister of Agriculture (Mr. Whelan) said in the throne speech debate, as recorded at page 343 of *Hansard*. He called for suggestions from all hon. members as to "what they think the Farm Credit Corporation can and should be doing to help young farmers and farmers in general." I say to the minister that he might begin by giving the Minister of Finance (Mr. Turner) the benefit of his experience and wisdom in matters relating to farm taxation and financing.

Taxation and Farm Credit Corporation policies must be redirected to give younger farmers a chance, so that they do not have to compete so openly against the more affluent farmer who is very often one or two generations older. We should all recognize that what the young farmer lacks in concrete collateral for loan purposes, he more than makes up for in youth, energy, ambition and much better

education, and that these non-material, intangible items are his strength and, indeed, Canada's agricultural strength.

Mr. Bill Knight (Assiniboia): Mr. Speaker, it is with great reluctance that I take part in this debate, in view of some of the changes which have been proposed to this legislation. I am sure my colleagues realize that the whip does not spend all his time attending debates in this House, and therefore they will not mind my having a few words to say. I promise to be brief, which will be a change.

I am always amused to see that when we deal with income tax and the Income Tax Act is debated, we take up parliament's time with amendments, subamendments and amendments to those subamendments. Not long ago we saw the Carter commission report on taxation. After that we saw Mr. Benson, who has been sent to the Canadian Transport Commission to retire, introduce a bill that was 1,500 pages long, and almost too heavy for any Member of Parliament to carry, on the subject of income tax. He had to make some 200 amendments to that piece of legislation which he introduced.

Next we have the Minister of Finance (Mr. Turner) bringing in more legislation to change the amendments that were made previously to change the Income Tax Act as proposed by the previous minister. That legislation was forced through, by closure, in 1971. I suppose we shall see more amendments to that legislation. This reminds me of a story. It seems that the Income Tax Act and the amendments thereto go through as many stages as a cocoon goes through in changing into a butterfly. This evening we are dealing with more changes.

Having mentioned that the Minister of Finance is introducing changes, let me say that there are parts of the legislation relating to western agriculture that bear mentioning. The government, in talking about the great changes to be brought in has, as usual, taken that great position espoused by liberalism and has not gone the whole way but only half way. When proceeding with income tax changes in 1971, the government was told, in the form of amendments proposed by members of the NDP, that transfer of the family farm from one member of the family to another should be exempt from capital gains tax; those exemptions should apply across the board if the farm went from the father to the son, daughter, or another member of the family. The idea was that the farm should stay within the family and remain a family farm. That amendment was moved by the former member representing Regina East, Mr. John Burton.

An hon. Member: Who is he?

Mr. Knight: He will be back. The second amendment proposed was for retaining the concept of the basic herd. Again the government said no, it could not be done. I expect the mandarins of the Department of Finance who sat just in front of the Minister of Finance and conferred with him said, "No, we cannot make this kind of change." Then we saw a general election that brought an interesting result on October 30. Suddenly, this minority government decided that it could be more open-handed in a number of ways and, following the concepts of classical liberalism, it went half the way. We did not see the re-establishment of the concept of the basic herd—I see my hon. friend for Medicine Hat (Mr. Hargrave) is interested—we got half a loaf. Perhaps in one or two years further amendments will be introduced, because half a loaf creates complications.

Next we come to the capital gains tax. I listened with great enthusiasm to the Minister of Finance when he said that we had done away with the capital gains tax as it relates to the family farm. Members of the other side cheered, and some of us on my side even smiled. The Minister of Agriculture (Mr. Whelan) jumped up from his desk, ran over to the Minister of Finance and shook his hand as if salvation had come. They are still behaving that way over there, Mr. Speaker. That minister suggested the government's action would bring salvation for western producers and they would think he was a really great Minister of Agriculture.

Then we read the details of the proposals of the Minister of Agriculture and the Minister of Finance and found that there is to be a very limited change in the provisions relating to capital gains. They will affect the family farm and are related to the time of death.

Mr. Turner (Ottawa-Carleton): I said that on budget night.

Mr. Knight: That was a very limited change, in view of the proposal put forward by the former member for Regina East, one of my party. We will continue to press for further revisions in this respect. I suppose that we are seeing the old story re-enacted. The hon. member for Northumberland-Durham (Mr. Lawrence), who wants a freeze on farm prices, will vote the same way as other members of the Tory party, who I suspect will vote the same way as the NDP will vote on the measures before us, namely, with the government. After all, half a loaf is better than no loaf. If he is here for a few more years or for as long as the member for Assiniboia, he will learn.

Mr. Turner (Ottawa-Carleton): He is already in the deep freeze.

Mr. Knight: I am pleased to see further exemptions respecting old age pensioners. Some exemptions are to be increased to $1,000. I believe these will provide relief to those who are supporting young persons going to university, high school and institutions of higher learning. These further tax exemptions are welcome. I believe that $50 a month for expenses is to be allowed. I support and welcome that proposal.

Before going on with any more complimentary remarks, let me say that the hon. member for Perth-Wilmot (Mr. Jarvis) made an excellent speech. I am not always that generous, let me add. In any event, he quoted from some of the speeches made by the Minister of Agriculture. I want to end on this note. So far as I recall, at no time did he bring out in those speeches what the minister's position was with respect to capital gains tax. He quoted from only a few of those speeches. If he had produced all the speeches the minister has made, he would have needed about five wheelbarrows.

• (2150)

If we in this House of Commons had as many changes to benefit the western producers and farm producers of this country, or if we had as many bills from this minister as we have had speeches, we would not be doing anything but dealing with farm legislation. Our farm legislation would be the best in this country. All we get from this minister is talk, talk, talk. We have had one lousy piece of legislation on crop insurance, and that was it. There have also been two changes with regard to the basic herd. The minister is very excited. He made two speeches in my constituency. No one will believe he is credible unless we see more than we have seen up to the present time.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I wish to make a few brief points. I agree with those who referred to small farms. The passage of an amendment to pass on a small farm at death is really an example of tokenism. Very few farms are in the hands of the original owners at death, unless they are unfortunate enough to die in their forties or fifties before their families mature. Farmers now wish to sell their farms at the age of retirement, 65 or soon thereafter. They expect to use the money to live at a higher standard than in the past. For a farmer 70 or 75 years of age to have a son willing to take over the farm is most unusual. I think this aspect of the tax bill can only be considered as a token gesture. As a previous speaker mentioned, it is only possible to postpone the payment of capital gains. With the increase in the rate of inflation, it is logical that most farmers would want to pay the capital gains when the farm is passed on so that in the future they will not have an enormous bill to pay.

I would now like to deal with some aspects of small business. In my province there is an estate tax. All businesses are valued by either the federal government, from the point of view from assessing capital gains, or by the provincial government for estate taxes either on the basis of seven times the profits or the net assets value, whichever is higher. This creates a great problem. There is a long series of negotiations while the tax accountants and tax lawyers attempt to reduce the assessment by the government.

The problem is that both governments assess the business as though it were a pile of cash in the bank, or on the desk, from which they can take their share. However, it is not a pile of money; it is a going concern. With the death of the chief of the business, it is under poor management for some time. The small business is not able to protect itself against the death of the owner. If the owner is getting on in years, the premiums are very high. Often he is uninsurable. Although the insurance may be used to pay the income tax or estate tax, it is not deductible as a business expense.

Take the example of what will happen in the future for a small business in a province such as Manitoba that has both an estate tax and a federal capital gains tax. A small business with a gross value of $500,000, not a large business by modern standards, would only employ about 10 to 12 persons. In then years' time, with inflation and some accrual, the business could be worth $1 million. If the owner suddenly died, the business would be faced with a very severe problem—how to pay the capital gains tax. Assuming the rate is 50 per cent, it would be $125,000. There would also be an estate tax of approximately $187,000. A company worth $1 million would be faced with a tax bill of over $300,000. The business management would be insecure and poorly oriented. Also, the management would be poorly trained. Even with six years to pay, there would be only one way to pay the $300,000 bill. That would be to sell it as fast as possible, take their money and find another job.

This did happen to a company in Manitoba, a successful, family-owned oil company. They could do nothing but sell out. It was sold to a company that would be considered foreign-owned. There was no other option available. This has reference to the foreign ownership bill which is now before the committee. This is a very tangible problem. It will become even worse as the capital gains tax matures. Unless the provinces with estate taxes, and the federal government, come to some agreement this problem will increase in the future.

I wish to say a few words about partnerships. I have been told that with the taxation system for partnerships, it is almost impossible to sell out. They are not particularly onerous or unfair but they are so complicated that this method of doing business will not be as successful as it was in the past. A partnership is one of the best ways of carrying on a business. With those few words, Mr. Speaker, I conclude my remarks.

[*Translation*]

The Acting Speaker (Mr. Boulanger): Is the House ready for the question?

Mr. Roland Godin (Portneuf): Mr. Speaker, some members of our party would like to make a few remarks about the bill before the House, and I would like to call it ten o'clock.

The Acting Speaker (Mr. Boulanger): The Chair is aware that it is ten o'clock.

Mr. Comtois: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): The hon. Parliamentary Secretary to the Minister of Finance on a point of order.

Mr. Comtois: Mr. Speaker, I thought all parties had agreed to approve second reading before ten o'clock this evening. If some members of the Social Credit Party of Canada wish to speak, I am sure they will have a chance to do so tomorrow in the committee of the whole.

Mr. Roland Godin (Portneuf): Mr. Speaker, I called it ten o'clock; a number of my constituents are having tax problems, and I intend to speak on their behalf tomorrow.

Adjournment Debate

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL DEFENCE—RENEWAL OF NORAD AGREEMENT—OPPORTUNITY FOR DEBATE

Mr. Doug Rowland (Selkirk): Mr. Speaker, on February 6 I asked the Prime Minister (Mr. Trudeau) whether it was the intention of the government to permit a debate in this House, prior to May 12, of the entire question of the North American air defence agreement. I asked that question because on May 12 the present agreement is due for renewal, or termination. Before a decision of this magnitude is taken, I think the government should have the advantage of the advice of the House.

The Prime Minister's answer was to the effect that if the opposition parties really wanted to discuss the matter, they had opposition days available to them and should utilize one of those days for this discussion. I consider that to be a highly unsatisfactory answer. This is a matter of government policy and it is the responsibility of the government to bring its policies before the House for approval or denial.

My purpose in raising the question this evening is to secure an assurance from the Minister of National Defence (Mr. Richardson) or his representative here tonight that prior to May 12, the day on which the NORAD agreement must be renewed in some form, or terminated, this House will have the occasion to debate the subject in order that the government may have the advantage of the advice of this chamber before making a decision of considerable importance to our nation.

The North American air defence command was established in the mid-1950s to counteract the threat of a manned bomber attack on the continental United States of America. I think it is time indeed to re-examine the whole premise upon which that alliance was based. In the opinion of most experts, the threat of a manned bomber attacked on continental North America is no longer extant. The Union of Soviet Socialist Republics, the major threat to North America in the event of war, now has other methods of conducting an attack on this continent. It has intercontinental ballistic missiles in hardened sites resistant to a first attack. It has nuclear submarines equipped with intermediate range ballistic missiles. The Soviet Union and the United States of America combined have the nuclear capacity to destroy this world twice over.

Given that kind of situation, it is extremely doubtful that the Union of Soviet Socialist Republics would employ its long-range bomber force to attack North America in a first strike. It has 195 aircraft capable of attacking North America and returning to the Soviet Union, and those aircraft travel at under 600 miles an hour. That provides simply too much warning for them to risk a first strike situation. When these bombers start to move, the whole United States retaliatory system would be activated. It does not make any sense at all that they would employ their long-range bomber force in that manner.

[Mr. Godin.]

The second strike employment of long-range aircraft is doubtful because a United States first strike probably would render the Soviet bomber bases ineffective. In addition to that, when you consider the efficacy of NORAD in that kind of scenario, should the Soviet undertake the first strike NORAD bases would be among their first targets. So the whole notion of an agreement designed to counter a manned bomber attack as being effective or useful becomes very questionable.

In order to maintain NORAD we are now involved in discussions and possible vast expenditures on an airborne warning and control system known as AWACS, in addition to discussions in respect of the purchase of an improved manned interceptor known as IMI and discussions about the purchase of over-the-horizon backscatter radar, all of which technical schemes involve expenditures beyond belief. All of them are designed to counter a non-existent threat.

Given the fact that a manned bomber attack on North America is unlikely in the extreme, I wonder why this country should continue to associate itself with an alliance designed solely for the purpose of countering that non-existent threat. I am quite prepared to admit that in order to assert its sovereignty, this country must maintain the capability of surveillance and interception within its airspace, but that kind of capability does not necessarily involve a formal alliance with the United States.

The Acting Speaker (Mr. Boulanger): Order please. The hon. member's time has expired.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Defence): Mr. Speaker, I have listened with interest to the representation of the hon. member for Selkirk (Mr. Rowland) for a debate on NORAD. I think he will appreciate that any expenditure made by any country in the western world is worth the price of freedom.

I should like to remind the hon. member at this point that the deputy commander-in-chief of NORAD, Lieutenant General R. J. Lane, appeared before the Standing Committee on External Affairs and National Defence on March 2, 1973, and addressed the committee on the history of NORAD, its missions and its forces and facilities. At the same time, Mr. Kirkwood, the assistant deputy minister of policy, spoke briefly to the committee on the nature of Canada's contribution to NORAD.

Tomorrow morning at 9.30 the minister was scheduled to address the Committee on External Affairs and National Defence exclusively on the subject of NORAD. In fact, I believe the hon. member has already received an advance copy of the statement that was to be made by the minister. It is regrettable that the committee meeting had to be postponed late this afternoon. I have been given to understand that several members of the committee are participating in the Canada-U.S. interparliamentary group at a meeting in the United States later this week.

The House of Commons Standing Committee on External Affairs and National Defence will be holding meetings shortly and the hon. member will be given an opportunity to express his views at that time, when the Minister of National Defence (Mr. Richardson) will be present to answer any of his questions.

• (2210)

POST OFFICE—NEW POSTAL CODE—PROVISION OF PRINTED STICKERS TO PUBLIC

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, first I should like to congratulate the minister on the new arrival in his household.

I wish to speak on the matter of the postal code that soon will be used across this nation. There are some serious defects in this system and there is a question concerning exactly how successful the code will be. The introduction of a Canadian postal code and the proposed investment of $100 million for a mechanization program in the Canada Post Office are causing considerable waves in public opinion and the postal unions in particular. A much simpler coding system could have been adopted. The possible error factor is too high and will create confusion. Machine sorting will be done only for coded mail, and therefore hand sorting could not be eliminated. The desired rate of 50 per cent to 60 per cent coded mail will definitely not achieve a cost reduction, for the obvious reasons.

I do not agree with the objections of the postal unions that the proposed mechanization will reduce the labour force. The opposte is more likely. It is the investment of $100 million which should be the main concern. Once the equipment is installed, it has to be maintained. Repairs, occasional breakdowns and improvement of the sophisticated equipment will be an additional cost factor and also more reason to keep the old hand-sorting method alive. It will be no surprise if the present postal deficit of $77 million to $105 million per year doubles in the near future. As a result, the total deficit for the next decade could reach $1,500 million to $2,000 million. We will have to make unpopular decisions to cover the enormous money demand of the civil service, which in turn is influenced by so-called experts. The Canadian taxpayer will have to pay again for experiments, as he has so often in the past 20 years.

Since the Canada Post Office is on the road of no return with the introduction of the postal code, it would appear that a complimentary label system will be required. I have further information on the label system which I have presented to the Postmaster General (Mr. Ouellet).

It seems to be a fact that the rising prosperity of nations is leading to inflated costs of their services. One of the most affected is the postal service. While the West German postal deficit in 1970-71 was over $120 million, the Canadian postal service was operated in the past decade with close to a $600 million deficit, with $77 million for 1971-72. The mail sorting operations represent a key problem, also, for the slowly decreasing efficiency. Therefore, the Canadian postal service is in the process of introducing an area coding system with an investment of $70 million for mail sorting equipment.

The record shows that in Great Britain, where the coding system was introduced three years ago, only very few people use it. There is no doubt that the coding system, with its sophisticated equipment, depends solely on the participation of the public. In order to utilize the sorting equipment, the code system must be extensively used, otherwise it will create considerable confusion and will make the equipment obsolete. The label system is designed to solve this problem by creating many personal advantages for the participant so that he will be more inclined to use the code.

I have further comments in respect of the postal code. Postal codes as complicated as those pressed by the Post Office upon Canadian postal users were introduced in Britain more than two years ago. With the exception of a few firms, practically nobody uses them. They do not appear on the letterheads of reputable newspapers. A large number of private citizens are not even aware they exist. I asked friends in London for their postal code, hoping to speed up my mail. "What postal code?" was their astonished reply. This is in stark contrast to the use of zip codes in the United States or postal codes in most of continental Europe. Further, Britain and Canada seem to be the only countries in which the Post Office has been persevering in respect of fully automatic sorting.

All other industrialized countries, including the United States, have come to the conclusion that this is impractical since it would presuppose every letter writer knowing the complicated codes of all his or her correspondents. Most countries use a simple code of figures or letters denoting districts. This means that detailed sorting has to be done by hand. But British experience has shown that after five years a vast majority of people never use the complicated code, and sorting then has to be done by hand. The very expensive machinery thus lies idle. And there are not enough skilled sorters available and mail is subjected to endless delays.

Automation is not the answer to every problem; there are many occasions when human skill is both superior and faster. If the Post Office had invested all the money that has been poured into the sophisticated machinery in human relations, we might have had a faster service and perhaps even contented personnel.

As you can see, Mr. Speaker, there are serious doubts as to the success of the postal code. Over half a million dollars has been spent to advertise the code system but the question is: Will it do the job? I am sure the country will be most interested in the Postmaster General's comments.

Hon. André Ouellet (Postmaster General): Mr. Speaker, first I want to thank the hon. member and to assure him that both the mother and the son are doing well. Judging by the way my boy arrived on earth, crying, I would be surprised if very soon he were not in politics and in the House of Commons.

I would like to say first, in reply to the hon. member, that three minutes is very little time in which to answer all the questions that he has put tonight. The response to the code, based on the experience in the province where the code has been launched, has so far been excellent and it is continuing to be good. We hope to complete coding in Canada by the end of this year and then we will be able to cope with the problems in sorting the mail.

The reason this code uses letters and figures is that we want to have a code which would allow us to fulfil our requirements not only at present but for the 20 years ahead. The other reason we have such a code is that it is

more precise. There is no doubt that this is a much better code than the one used in the United States or in Britain.

I was interested in the remarks of the hon. member when he referred to the label system. This is something that we could look at to see what could be done, although I would like to remind the hon. member that we will be writing every Canadian to give him his code and give him some labels that he could use to put on his telephone or to send to his friends. The response so far has shown that we are on the right track. We hope the public will understand that by using this code we will be able to provide them with a better service. We do not think this system will be unsuccessful. Quite the contrary, we feel that in the long term we will save money and we will give Canadians what they want, namely, a better postal service.

FISHERIES—LOBSTER FISHERY—REQUEST FOR STATEMENT ON REVIEW OF EFFECT OF OFFSHORE ON INSHORE FISHING

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, this evening I wish to raise in this brief period a subject which is of great interest and concern to lobster fishermen in the area of South Western Nova. That area has 2,500 or 3,000 men engaged in the lobster fishery. They have their organization, the Southwest Nova Scotia Lobstermen's Association, which had an undertaking from the Prime Minister (Mr. Trudeau) in the summer of 1971 that a study would be undertaken by the Department of Fisheries in order to determine what detrimental effect the fishing of lobsters in offshore areas might have on the inshore lobster fishery. I raised that question with the Prime Minister in the House a few weeks ago but had no answer from him; so I raise it again this evening.

• (2220)

The impact of an extensive fishery in the offshore area, being undertaken not only by our Canadian fishermen but by fishermen of foreign fleets, is of grave concern. It is understood that the Russians are taking lobsters in their drags, unhampered, and that the Japanese fleet is fishing precisely for lobsters, because they have developed some very sophisticated equipment to take lobster off George's Bank and the Grand Banks. They freeze them, carry them to St. Pierre and Miquelon, where they make use of warehouse facilities, and then the lobsters are transshipped to Japan. One question I would like to ask the minister is whether his department of the government of Canada is concerned with that trade, whether they have any way of determining what volume it is and thereby determining what value and what is the result to our fishing resources.

It is also a matter of concern that control over lobster fishing has not been brought under the ICNAF arrangements; accordingly there is no international way in which the fishing of lobsters offshore can be controlled. This is vitally important to a segment of the population in southwestern Nova Scotia and it is a question that it behoves the Department of Fisheries to investigate, just as the Prime Minister undertook that it would be investigated.

It seems to me that the Department of the Environment should determine the volume of lobsters being taken by foreign fleets in these areas and should investigate the fishing techniques being employed by these fleets. It also seems to me that the department must determine the volume and efficiency of the domestic offshore fishery and that a definite appraisal must be made of the relationship between offshore lobsters and inshore lobsters.

This is an industry that means some $20 million to the fishermen in my area. The fishermen's view is that the inshore stocks cannot possibly account for the replenishment that takes place from year to year, and that the volume of sprat to be found in our inshore areas could not be accounted for by mother lobsters in that area. They also say that lobsters are known to move many miles in a 12-month period; that inshore stocks can be exhausted in a 12-month period and are replaced by lobsters from some extraneous source.

I suggest it is incumbent on the minister and the department to make a definite determination of where the seed lobsters for the inshore areas come from. If it is not possible to determine absolutely that there is no connection with offshore lobsters, then it seems to me the only proper thing should be a presumption to be made by the department that there is in fact a connection and that inshore lobster stock should be protected by very careful control over the offshore fishery, whether it be international control or Canadian control.

I might add that to my knowledge fishery scientists so far indicate that they are doubtful of any connection between the two species of lobsters, the inshore and the offshore. But that is not a good enough answer for that industry. It is not a good enough answer for people who are interested in the future of a Canadian industry, who are interested in what has been a Canadian industry. It is not good enough for people who are interested in Canada exercising and taking the available resources which are within an area which has always been thought of as Canadian from a nationalistic point of view.

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, unfortunately, the hon. member arrived quite late and the representative of the government who was to answer his question had to leave the House.

In any event, I am very happy to tell him, on behalf of the government, that to my mind the problem is very important. I listened closely to the remarks of the hon. member and I can assure him that the Department of the Environment, which is also responsible for Canadian fisheries, is watching the situation very closely.

Personally, I am sure that all Canadians are very proud of the quality of the Canadian lobster; we want to preserve that extremely important industry. Not only is the lobster catch important to the fishermen themselves; it is also important to all Canadians and in particular to the government and the responsible department.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Friday, April 6, 1973

The House met a 11 a.m.

HOUSE OF COMMONS

CONGRATULATIONS TO PRIME MINISTER ON FIFTH ANNIVERSARY AS LEADER OF LIBERAL PARTY

Mr. J. E. Walker (York Centre): Mr. Speaker, there are some occasions of special significance and importance which are allowed to be noted in the House from time to time. Just a few days ago we all joined in sincere tribute to the right hon. member for Prince Albert (Mr. Diefenbaker) on the 33rd anniversary of his election to parliament. Indeed, Mr. Speaker, we have acclaimed Your Honour and others at relevant times.

Today is one of those relevant occasions for some of us in this chamber because it was exactly five years ago that the Liberal party selected for itself a new leader supremely fitted for the task of leading his political party—

Some hon. Members: Hear, hear!

Mr. Walker: —and the country through the difficult and challenging days that lay ahead. Building on the solid base of an awakening Canadianism that had been generated by his immediate prime ministerial predecessors, Pierre Elliott Trudeau has worked every waking hour to forge a conscious Canadian identity and unity.

Some hon. Members: Hear, hear!

Mr. Walker: Mr. Speaker, some question his methods but none can challenge his motives or dedication to this task to which every political leader is committed.

In a spirit of political generosity I believe all hon. members would wish to join with us on this side of the House in wishing the Prime Minister good health, good spirits and good will in the task that every Prime Minister faces, the furthering of national unity in a Canada where every Canadian will be at home.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would certainly like to associate myself with the good wishes to the Prime Minister regarding his health.

Some hon. Members: Hear, hear!

Mr. Stanfield: I called across to him earlier, before I realized there was going to be speech-making in connection with this anniversary, that sometimes it is said about other institutions that the first five years are the hardest, and that may well be his wish.

Ordinarily one does not make very much of a third, fourth or fifth anniversary, but I can well understand the desire of my hon. friends opposite—of course I am not referring to the Prime Minister—to note this anniversary at this time because it may be their last opportunity.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, of course I join others in wishing the Prime Minister well and in congratulating him on five years of hard work. When I listened to the hon. member for York Centre (Mr. Walker) telling us that the Prime Minister worked every hour of the day for the last five years, it occurred to me that perhaps that was the reason for some of the things that have happened. Perhaps the Prime Minister ought to work less from now on. Mr. Speaker, we wish him well in his personal future.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Once again, Mr. Speaker, I thank my colleagues for the warm welcome they extended to me this morning upon my return to the House. It is not my fifth anniversary but I join all my colleagues in wishing the right hon. Prime Minister good health, specially from the political point of view. I hope he will call an election on the double that we may try to act quickly and efficiently as legislators. I join the Leader of the Official Opposition (Mr. Stanfield), the government members, the NDP members and my own colleagues in wishing the right hon. Prime Minister well, that he may continue to do his utmost for the well-being of the people, regardless of their political affiliations, and to act as a true Prime Minister of Canada.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in acknowledging the compliments I have received this morning, I should like to say to you that I appreciate the thought that anniversaries can really come up quite often in the House.

I wish to apologize to my colleagues for not having the ease of the right hon. member for Prince Albert (Mr. Diefenbaker) when it comes to expressing thanks on the occasion of anniversaries. With the years, however, I trust I shall improve, and I thank my colleagues from all parties for their great kindness and confidence.

• (1110)

[*English*]

Mr. Speaker, I am not one, as you know, who is very enthusiastic about recalling or celebrating various anniversaries. I know that you have some question in your mind about how much time we should spend doing this. I have, as you know, in the past done my best to suppress some of my own anniversaries, and I hope you will not find me too guilty. Let me just say thank you very much to all hon. members.

Some hon. Members: Hear, hear!

The Prime Minister

Mr. Speaker: Is the hon. member for Ottawa West rising on a question of privilege?

Mr. Reilly: No, Mr. Speaker.

Mr. Speaker: I think the Chair owes an explanation to the House. The hon. member for Ottawa West and the Chair had a discussion about a possible question of privilege. That is why I took the liberty to ask the hon. member whether or not he wished to proceed.

ROUTINE PROCEEDINGS

LABOUR, MANPOWER AND IMMIGRATION

[*Translation*]

Second report of Standing Committee on Labour, Manpower and Immigration—Mr. Portelance.

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

* * *

COMMUNICATIONS

BELL CANADA RATE INCREASES—ANNOUNCEMENT OF TEMPORARY SUSPENSION OF CTC'S DECISION

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, in allowing a debate this Monday on the March 30 decision of the Canadian Transport Commission you recognized the urgency and the importance of the question and you also recognized the essential role that the telephone plays in the day-to-day lives of all Canadians. This decision affects hundreds of thousands of citizens.

From its very inception in April 1969, my department recognized the social impact of telecommunications and undertook a series of studies under the heading of the Telecommission. The first report—Instant World—followed by the recently tabled green paper asked the question: "How can Canadians be assured of a reasonable variety of choice in the communications services available to them, and what must be done to ensure that at least basic communications services are available to all Canadians, wherever they may live at just and reasonable rates?"

The green paper proposed answers to these and other problems. And in recognition of the impact of telecommunications on the social, cultural and economic life of the country it made concrete suggestions for a new regulatory framework. I hope that these government proposals will, in the very near future, bring about a public discussion leading to a reform of the present regulatory structures so that these social and cultural considerations may be taken into account in future rate cases.

[*English*]

In the meantime, as I told the House last Monday, my department and the government are studying the decision of the Canadian Transport Commission on Bell Canada's application to increase its rates. At the time, I told the House that I would undertake to keep hon. members informed of the results as soon as possible. Even though the study is not complete, it has become apparent that there are some vital points surrounding the decision that need explanation and that the commission should be asked for clarification to that effect. The government has decided to suspend the decision pending clarification from the commission and completion of the review.

Some hon. Members: Hear, hear!

Mr. Don Mazankowski (Vegreville): Mr. Speaker, on behalf of my party I welcome the minister's statement. However, I feel that the explanation for this decision is highly irrelevant. Both in the House and in the transport committee we have expressed our concern about the effect of the decisions of the Canadian Transport Commission granting Bell Canada and CN-CP Telecommunications rate increases. This is precisely why our members on the Standing Committee on Transport and Communications moved for the tabling of all documents, reports, studies and papers relating to the Canadian Transport Commission decision, notwithstanding the reluctance of the president of the commission. This also is precisely why we moved for a 90-day postponement of the implementation of these increased rates in the transport committee yesterday.

We have been particularly concerned about the way in which the commission reached its decision under the guidance of Edgar Benson, whose financial competence is well known to the House.

An hon. Member: Incompetence.

Mr. Mazankowski: Yes, incompetence. The CTC has been given the authority to decide on matters affecting all Canadians' personal lives. The government has frequently chosen to ignore the fact that it does have power to intervene under the provisions of the National Transportation Act. We suggest that if the government does not choose to take the responsibility as representatives of the Canadian people in these matters, then the Canadian people themselves should be allowed to participate in the decision-making of the Canadian Transport Commission.

At present the procedure is heavily weighted in favour of the applicants. I believe that ways and means must be found to redress this balance.

Some hon. Members: Hear, hear!

Mr. Mazankowski: I believe that the government should seriously consider allowing greater public participation at CTC hearings, especially when they are particularly relevant to the Canadian consumer. The evidence from recent CTC decisions concerning Bell Canada, CN-CP Telecommunications, and freight rate increases shows that the consumer is bearing a heavy load of inflation. This latest decision has created a question mark in the minds of many Canadians as to the credibility of the CTC in

upholding the public interest under the National Transportation Act.

The government's reason, stated by the minister, for delaying implementation of the increases, is the need for integration into a telecommunications policy. This is beside the point. What is at stake and at issue is the government's failure to curb inflation and the commission's failure to act in a way which satisfies the public and ensures that the public interest is being upheld. Surely at this point the time has come when the government, as an absolute minimum, must outline price guidelines, at least for those sectors directly controlled by the federal government.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. David Lewis (York South): Mr. Speaker, I join with my colleagues in welcoming the minister's statement, and I do so with pleasure. The decision taken by the government precisely coincides with the suggestion I made in my motion of last Monday, and I congratulate the government wholeheartedly on the decision which the minister has just announced.

[*English*]

Mr. Speaker, I hope that this is merely the first step toward the eventual rescinding of the unjustified and unconscionable acceptance by the Canadian Transport Commission of the application of Bell Canada. There have been many instances in the last while indicating that the way in which the commission functions, the way in which it has organized itself, makes it, judging from the results, impossible for that commission really to represent the interest of the Canadian people. In every case they are bamboozled by the kind of bookkeeping that the large corporations do into accepting the arguments that the corporations present to them.

• (1120)

It is my conviction, Mr. Speaker, that Bell Canada is fudging its real profits. Like other such large conglomerates, it simply is not telling the Canadian Transport Commission, the people of Canada and the government the truth about its profits. It is time the people of Canada, the CTC and the government made that giant corporation tell the truth about its profits and stop gouging the people of Canada.

Some hon. Members: Hear, hear!

Mr. Lewis: The fact is, Mr. Speaker, that Bell Canada will not tell the commission what retained earnings there are in its many affiliates. I understand from my colleagues who are members of the standing committee that Mr. Benson, the chairman of the commission, said yesterday afternoon or evening that the commission is not permitted or does not think it has the right to look into the earnings of the affiliates of Bell Canada. I say to you, Mr. Speaker, that is a silly situation which is against the interests of the people of Canada. Bell Canada has a fully owned subsidiary like Northern Electric and we ought to know what the relationships are between Bell and Northern, what they cook up between them at the expense of the people of Canada. For the CTC to say it does not have the authority to look into that is to me an abrogation of its elementary duties.

Furthermore, I indicated in a letter I wrote to the minister yesterday that if you take the retained earnings of Northern Electric into the profits of Bell, as one should, then you have $8 million last year and probably $10 million this year, and if you were to make Bell add to its profits what it should add, namely, the $60 billion or $70 billion in deferred taxes which it may never pay, the actual rate of return would be 1 or 2 per cent more than it was.

I congratulate the minister and the government for having taken this step. I appeal to the government to follow it up by rescinding the decision of the CTC, all the time remembering that there is another application before the commission demanding even larger increases than the ones which the commission has so far studied. As far as my colleagues and I are concerned, we will simply not tolerate any further enlargement of the powers and wealth of Bell Canada.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the Bell Canada application for an increase in rates seems to be into a purely political issue.

I have just heard the leader of the New Democratic Party (Mr. Lewis) state that Bell Canada refuses to reveal its profits, to indicate how much money is coming in, how much is going out, that the company is deceiving the people etc.

Bell Canada is a big corporation, everyone knows that. We have in Canada what we call antitrust legislation. Those acts apply to Bell Canada as well as any other big corporation.

Bell Canada filed its application with the Canadian Transport Commission to satisfy its shareholders who, as far as they are concerned, want a return on their investment because if their investments in Bell Canada are not profitable, these shareholders will sell them, and invest their money elsewhere.

That is not the only point, Mr. Speaker. They are calling for increases of 5 to 7 per cent. Well, that is shocking, according to those who want to play politics with private corporations throughout Canada. No consideration is given to the quality of services supplied by Bell Canada or other private corporations.

I have made close comparisons with what I have seen throughout the world. When I was in Moscow, and I mention this for the information of the hon. member for York-South (Mr. Lewis), it took me 29 hours to put a call through from Moscow to Ottawa.

You had to go through not private companies, but officials who are like the hon. member for York South.

I am not going to be hypocritical; I am not going to mince my words to tell the hon. member what I think. Just wait and see.

Mr. Speaker, I am just back from Jamaica; I stayed at Ochos Rios just 75 miles from Montego Bay where the telephone service is provided by a subsidiary of Bell Canada. I called Ottawa and it took me exactly three

minutes to get my party. Now, this is a private enterprise, and the hon. member cannot appreciate the services supplied by private enterprise. He is always ready to knock it in an effort to turn the people against it but when the time comes to pay for the services, he is reluctant to do so.

Mr. Speaker, what is worse still, is the fact that Quebec Hydro has just increased its electrical rates. And that company is indeed a government agency. Have members of the New Democratic Party been heard protesting against tariff increases by Hydro-Quebec, the Ontario Hydro or the Manitoba Hydro? No. That is right, that is logical and understandable. If private enterprise says: We are prepared to improve our service, there are protests. And yet the hon. member for York South will agree that Bell Canada provides the best telephone service not just in this country but in the whole world.

Mr. Speaker, did the hon. member for York South protest when the salaries of members of parliament were raised from $18,000 to $26,000? No.

Mr. Lewis: Yes.

Mr. Caouette (Témiscamingue): Never! He voted for it, just like the others.

From what they say, Mr. Speaker, the New Democrats would have us crush, mutilate and stamp out private enterprise. That is just what would be needed for socialism to develop and make an impact.

Mr. Lewis: That is your opinion, but I—

Mr. Caouette (Témiscamingue): Yes and it is exactly in line with what the hon. member for York South was saying just now.

But I said at the start that there are laws against monopolies and trusts. If Bell Canada, or any other company, is shamelessly exploiting the population, or trying to, there are laws to prevent it.

The Minister of Communications (Mr. Pelletier), for example, states, and I quote:

> The government has decided to suspend the decision pending clarification from the commission and completion of the review.

Now, the Canadian Transport Commission has heard Bell Canada's request, and has studied it. And so I find it hard to understand the government now "playing at politics", falling into the socialist trap to obstruct initiative and prevent private property developing in Canada, while promising the people better service.

[*English*]

Mr. Howard: Mr. Speaker, I rise on a question of privilege. It relates to the announcement of the suspension by the cabinet of the Bell Canada rate increases. My question of privilege is that this is a discriminatory act on the part of the government, because that self-same government permitted Northland Shipping (1962) Company Limited, which is in a monopoly position, to impose a 7 per cent freight rate increase for its services on the north coast of British Columbia. It approved that, and I simply ask it to be fair. How about suspending the Northland Shipping freight rate increase as well?

[Mr. Caouette (Témiscamingue).]

Mr. Speaker: Of course, that is not a question of privilege. I hope the hon. member would not expect the Chair to make a ruling in any event.

* * *

THE CANADIAN ECONOMY

COST OF LIVING INCREASE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise pursuant to Standing Order 43 on a matter of the utmost urgency concerning the continual staggering increases in the cost of living. Food and shelter costs have risen .4 per cent in the past month and 11.3 per cent and 6.8 per cent respectively in the past year. The impact of the sharp rise in food costs affects all Canadians, but in particular those living on low and fixed incomes who are finding it increasingly impossible to afford a nutritionally adequate diet. In light of the seriousness of this matter, Mr. Speaker, I would move, seconded by the hon. member for Northumberland-Durham (Mr. Lawrence):

• (1130)

> That, given the continual rise in the cost of living and the consensus now existing in the country, the government immediately implement a freeze on wages and prices and act during this time to formulate long-term policies to halt or alleviate these disastrous increases in the cost of living.

I might say, Mr. Speaker, that I hope the Prime Minister (Mr. Trudeau) and his colleagues—

Mr. Speaker: Order, please.

Mr. McGrath: —will agree to this.

Mr. Speaker: Order, please. Hon. members have heard the motion proposed by the hon. member under the terms of Standing Order 43. This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

FOOD PRICE INCREASES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I rise to ask leave of the House for unanimous consent to introduce a motion under the provisions of Standing Order 43. In view of the fact figures released today show that the food price index rose 11 per cent in the past 12 months, and in view of the fact that consumer groups, including Women Against Soaring Prices, have repeatedly called for a price review board, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

> That this House instructs the government to introduce immediate legislation to implement the recommendation of the committee on food prices to establish a prices review board with all the powers necessary to deal with food costs, including the power, where necessary, to order a rollback in prices.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

[*Translation*]

CRIMINAL CODE

DETAILED STUDY OF ABORTION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Henry Latulippe (Compton): Mr. Speaker, pursuant to Standing Order 43, I rise to move a motion dealing with a matter of prime concern and national emergency.

In view of the growing opposition from the Canadian people to the liberalization of abortion and the lack of precision of the act, I move, seconded by the hon. member for Champlain (Mr. Matte):

That the Standing Committee of Justice and Legal Affairs be instructed by this House to consider the whole question of abortion and report to parliament before the end of this session.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is none, and therefore, the motion cannot be put.

[*English*]

Mr. Lundrigan: Mr. Speaker, I rise on a point of order. There has been a lot of controversy over the past couple of months regarding the use of Standing Order 43. Motions have been moved under this standing order today and in the past six or eight weeks that were designed to have the House express itself as the parliament of Canada on very legitimate issues. Many of these motions have been moved with no partisan intention.

Some hon. Members: Oh, oh!

Mr. Lundrigan: There has not been unanimous consent because of opposition from five or ten members. We have a situation where the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) has been designated to oppose such motions that are brought before the House. I have kept a record of what has gone on in the past couple of months. As a result of the action of one government member there is no opportunity for members of this House to utilize Standing Order 43, effectively.

Some hon. Members: Hear, hear!

Increase in Shelter Costs

Mr. Lundrigan: I respectfully request, Mr. Speaker, that the matter of the use of Standing Order 43 be referred to the Standing Committee on Privileges and Elections and that some direction be given to the chairman of that committee to deal with this matter. Instead of having the matter drawn out for six or eight weeks or several months, as has happened with the subject of the question period which I understand has not yet come before the committee, direction should be given to that committee to report on the subject within a matter of weeks.

Some hon. Members: Hear, hear!

Mr. Speaker: Was that a motion under Standing Order 43?

Mr. Lundrigan: I would like to move that as a motion but it would take a moment for me to draft it.

* * *

HOUSING

INCREASE IN SHELTER COSTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise to move a motion under Standing Order 43. This motion arises from the fact that shelter costs, as announced today, are up 6.8 per cent over a year ago and the related fact that only 20 per cent of the government's proposed spending on housing for 1973 is devoted to low income categories, with only $2 million allocated for co-ops in spite of the fact that the Co-op Housing Foundation of Canada has estimated the need for co-op spending this year to be $30 million. Given the obvious need for a much greater allocation of funds to low income housing and specifically to meet the anticipated demand of the co-ops—

Mr. Speaker: Order, please. I suggest to all hon. members that there are sufficient difficulties relating to the application of Standing Order 43, some of them being those referred to by the hon. member for Gander-Twillingate, that we might at least try to follow the practice established in recent years that hon. members limit themselves to indicating what the motion would be without arguing in support of it. I invite the hon. member to indicate what the motion would be on which he would like to seek the unanimous consent of the House.

Mr. Broadbent: I will do so, Mr. Speaker. However, I would like to add that I have taken no more time than others who have moved motions under this Standing Order today. I will come directly to this important motion. I move, seconded by the hon. member for Broadview (Mr. Gilbert):

That this House instructs the three ministers responsible for the Central Mortgage and Housing Corporation capital budget, the Minister of Finance, the Minister of State for Urban Affairs and the President of the Treasury Board, to appear next week before the Standing Committee on Health, Welfare and Social Affairs to explain why more money is not being allocated to this important area of social need.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

SOCIAL SECURITY

OLD AGE PENSIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 with a motion which I dare to hope the House will accept. Now that Royal Assent has been given to Bill C-147, the new $100 basic rate of the old age security pension is in effect. However, in view of rising prices there is urgent and pressing necessity that something further be done during this session to improve the position of our senior citizens. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House indicates to the government that it would welcome, during this session, a further bill to amend the Old Age Security Act, the purpose of which would be to provide an additional increase in the basic amount of the pension paid thereunder and to lower the eligible age.

Some hon. Members: Hear, hear!

Mr. Speaker: Hon. members have heard the proposed motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

CONSUMER PRICE INDEX INCREASE—POSSIBILITY OF PRICE FREEZE OR OTHER MEASURES TO COMBAT INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Finance. It arises out of the figures released today showing a continuing increase in the consumer price index. Is the government now prepared to adopt a comprehensive approach and attack on inflation in Canada, such as our recommendation of a price freeze, in view of the continued increase and the evident failure of the budgetary measures to halt this increase and in view of the growing expectation of a continuing high rate of inflation this year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it may be that the hon. gentleman is adding to that expectation. However, I say to him that the basis of the rise again this month is primarily food. It is true that the rise in food prices is disturbing to the House and to every Canadian. As I said earlier, it is primarily a supply problem. It is primarily a reflection of world commodity prices in grains, meat, sugar, coffee and so on. The hon. gentleman referred to the budgetary measures. Looking over the index I note that, except for food, the rise was less than the average in recent years, largely attributable to the removal of the sales tax on children's clothing and children's footwear.

• (1140)

Mr. Stanfield: Mr. Speaker, I want to make it clear that I do not intend to refrain from making suggestions or discussing public problems because of threats from the Minister of Finance or anyone else.

Some hon. Members: Hear, hear!

CONSUMER PRICE INDEX INCREASE—MONITORING DEVICES TO ASSURE TARIFF CUTS AND SALES TAX REDUCTIONS PASSED ON IN LOWER PRICES

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Minister of Finance or the Minister of Consumer and Corporate Affairs what monitoring devices of a concrete nature have been established to assure that the tariff cuts and sales tax reductions that were made have in fact been translated into lower prices?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): As I said in the House earlier, we are working on methods for doing this and will be reporting to the House shortly about these methods.

Mr. Stanfield: I should like to ask the Minister of Finance whether one of the measures he is taking to ensure that such tariff cuts, etc., will be translated into lower prices was the increase in corporation taxes which he put into effect on January 1 for all corporations, all lines of business, in this country except manufacturing and processing?

Hon. John N. Turner (Minister of Finance): The government is, through the Department of Consumer and Corporate Affairs, the Department of Industry, Trade and Commerce and the Department of National Revenue, in the process of monitoring the effects of the sales tax removal and other commodity tax cuts contained in the budget.

An hon. Member: Another study?

Mr. Turner (Ottawa-Carleton): No, it is in operation.

FOOD PRICE INCREASES—POSSIBLE ESTABLISHMENT OF PRICES REVIEW BOARD

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that a

temporary freeze lasting 60 or 90 days, as suggested by some members of the House, could not possibly do any good for the consumer since it would store up a likely larger increase in the cost of living at the end of that period, I ask the Prime Minister whether the government is giving favourable consideration to implementing the recommendation of the report of the Special Committee on Trends in Food Prices that an effective prices review board be established?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we did discuss this matter, and we are very impressed by the serious nature of the work done by the committee. I hope we shall be in a position to make an announcement on our attitude toward its report in the not too distant future.

FOOD PRICE INCREASES—SUGGESTED QUARTERLY ADJUSTMENT OF PENSIONS AND SUPPLEMENTARY PAYMENTS TO WELFARE RECIPIENTS

Mr. David Lewis (York South): Mr. Speaker, I should like to address a supplementary to the Minister of Finance in the hope that he will consider very carefully a suggestion which has probably been made to him by many others. In view of the fact that an increase in the cost of food in particular continues to take place regularly every month and is likely to continue for some time, will the minister give serious consideration to adjusting the old age pension and similar payments quarterly in accordance with the rise in the cost of living, rather than annually, and also give serious consideration to providing funds for supplementing the incomes of welfare and similar recipients in order that they and their families may be able to enjoy a better diet?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman knows that part of the philosophy of the May and February budgets was to protect Canadians on fixed incomes, particularly those whose earning days are over, from rising prices. It is my view that we certainly would not fight inflation on the backs of the senior citizens of this country. I will take the hon. member's suggestion into consideration.

INCREASED FOOD AND SHELTER COSTS—REQUEST THAT PRIME MINISTER MAKE STATEMENT CALLING FOR HOLDING THE LINE

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Prime Minister. In the light of the staggering increases in the cost of food and shelter, and in the absence of positive government action, may I ask the Prime Minister whether he, as the leader of this country, in the interests of the poor and those living on fixed incomes, is prepared to make a statement calling upon the food industry and all other segments of the economy to hold the line, or the government will be forced to take action?

Right Hon. P. E. Trudeau (Prime Minister): I thank the hon. gentleman for suggesting a policy to the government.

Mr. McGrath: In view of the fact that a special committee of the House was set up to look into this problem, and in view of the failure of the country to respond to the request of the Minister of Finance in his budget statement of February 19, may I ask the Prime Minister, because the question is urgent, whether he will issue a call to the country to hold the line against these staggering increases in the cost of shelter and food which are having such a disastrous effect on the poor and those living on fixed incomes?

Mr. Trudeau: The hon. member credits any Prime Minister with a great deal of strength if he thinks that by making such a call he will obtain automatically the result he suggests. The House will recall that four years ago we did hold a series of conferences with industry, the provincial governments and business in which we indicated the importance of fighting inflation. I do not believe we received much support from the hon. member and his colleagues at that time.

* * *

[*Translation*]

FINANCE

BORROWING BY QUEBEC IN UNITED STATES—INQUIRY WHETHER LOAN SOUGHT FROM BANK OF CANADA

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask a question of the Minister of Finance regarding the $125 million loan just taken out by the government of Quebec on the U.S. money markets.

Does the minister know if the province of Quebec has asked the Bank of Canada for this $125 million loan?

Hon. John N. Turner (Minister of Finance): I doubt that very much, Mr. Speaker.

INQUIRY RESPECTING STATEMENT BY BANK OF NOVA SCOTIA VICE-PRESIDENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask a supplementary.

The vice-president of the Bank of Nova Scotia just stated that if banks were authorized to include treasury bonds and short term provincial bonds in their statutory reserves, this would lower interest rates. I would like to ask the minister if he intends to take into serious consideration the suggestion made by the vice-president of the Bank of Nova Scotia who is asking, on behalf of the chartered banks, the right to include provincial government bonds in their statutory reserves.

Hon. John N. Turner (Minister of Finance): As the vice-president is backed up by the leader of the Social Credit Party of Canada, I shall take this matter into very serious consideration, Mr. Speaker.

Mr. Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question.

If the vice-president supports me, does the Minister of Finance expect that the president of the bank will support him in that same field?

Oral Questions

[*English*]

THE CANADIAN ECONOMY

PRICE INCREASES—GOVERNMENT CONTINGENCY PLAN—LEVEL OF RISE NECESSARY TO JUSTIFY IMPLEMENTATION

Mr. John Lundrigan (Gander-Twillingate): My question is for the Prime Minister. Some time ago the Prime Minister indicated the government would be willing to put into operation its contingency plan, which he told us has been in existence for some time, when the cost of living had reached a stage at which it seriously affected our export position and the unprotected sector of the Canadian earning community. Can he tell the House whether the cost of living has now increased to the extent that this plan will be used? If not, to what extent must the cost of living rise before the government makes such a move?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member is asking for a statement of our policy on this matter. Such a statement has repeatedly been made by the Minister of Finance and by myself. When we have further announcements to make, we shall let the House know before anyone else.

• (1150)

Mr. Speaker: Order, please. I realize that a number of members are seeking the floor to pose supplementary questions on this important matter, but perhaps we might try to have two, three or four questions on other subjects following the supplementary question of the hon. member for Gander-Twillingate.

I might also say that I am not sure we completed the first round of questioning. I was not able to determine whether the hon. member for York South was asking supplementaries. He called his first question a supplementary but it was perhaps more a related question than a supplementary. In fairness I think I should recognize the hon. member for Gander-Twillingate on a supplementary question at this time.

Mr. Lundrigan: Mr. Speaker, I ask the Prime Minister a very straightforward question. In view of the fact he has rejected the suggestions by our party, by the hon. member for St. John's East and the hon. member for York South, can he tell the House whether the government is willing to take any action at all toward controlling or influencing the direction of the cost of living, and will he announce to the House right now whether the government has any such plans or whether it is prepared to announce such plans, or does it intend to do nothing about this problem?

Mr. Speaker: The hon. member for Oshawa-Whitby.

Mr. Broadbent: Mr. Speaker, my question is on housing and I direct it to the Minister of State for—

Mr. Lundrigan: On a point of order—

Mr. Speaker: Order, please. I apologize to the hon. member for Oshawa-Whitby, but the hon. member for Gander-Twillingate rises on a point of order.

[Mr. Caouette (Témiscamingue).]

Mr. Lundrigan: Mr. Speaker, perhaps I might repeat my question as the Prime Minister obviously did not hear it, and I am sure he would certainly want to answer it.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I think the hon. member asked his question clearly. Obviously there was quiet in the House and I am sure all hon. members heard the question. The hon. member will appreciate, I am sure, that while he has the right to ask a question he cannot insist on an answer. That is why the Chair recognized the hon. member for Oshawa-Whitby.

Mr. Lundrigan: On a point of order, Mr. Speaker, it is fine for the Prime Minister to sit and sulk, but there are 22 million Canadians across this country who want to know the answers to some of these questions.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member should resume his seat. He has raised a point of order that is not a point of order. He suggests that the right hon. Prime Minister should reply to his question, but he knows very well that he cannot insist on that.

Mr. Lundrigan: Mr. Speaker, I want to know from the Prime Minister if he refuses to answer questions by hon. members in this House—

Some hon. Members: Order!

Some hon. Members: Sit down!

Mr. Lundrigan: If the Prime Minister is refusing to answer questions of members of this House, it would at least be an answer if he would get up in the House and say so. But I respectfully submit that for the leader of this country to sit and sulk—

Some hon. Members: Oh, oh!

Mr. Lundrigan: —and refuse to get up and answer a question—

Some hon. Members: Order!

Mr. Lundrigan: —which was not in any way a partisan question—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Oshawa-Whitby. I have made my ruling on the point raised by the hon. member. He is unhappy or concerned about the fact that he did not get a reply to his question. That is his right. But again the rules are clear that an hon. member cannot insist on a reply to a question. I suggest to hon. members that we could spend the whole of the question period arguing whether or not the question should be replied to, but that would not be very helpful. I doubt whether the hon. member would achieve very much except to register his protest, which he has already done.

Mr. Lundrigan: Mr. Speaker, I rise on a question of privilege. Many members on this side of the House have

been chastised legitimately, I respectfully say, for a lack of discipline or because of the inability of members like myself to verbalize their questions. But I respectfully suggest to Your Honour that if members of the cabinet sitting across the way are not prepared to co-operate with members of the House by answering questions and giving evidence that it is the responsibility of members on this side to seek in trying to hold the government accountable, then we have lost the last bit of control we have. The only control the Canadian people have left is that exercised by the opposition during the question period. We have lost control in committees and we have lost control in respect of supply.

Some hon. Members: Order!

Mr. Lundrigan: The only control we have in respect of holding the government accountable is the question period.

Some hon. Members: Order!

Mr. Lundrigan: Members of the government are not being responsible when they sit sulking and refuse to answer questions by hon. members on this side.

Mr. Speaker: Order, please.

Some hon. Members: Order!

Mr. Speaker: Order, please. For the third time I call the hon. member to order. I recognize the hon. member for Oshawa-Whitby.

* * *

HOUSING

SHELTER COST INCREASE—REQUEST THAT MORE FUNDS BE ALLOCATED TO LOW-INCOME HOUSING—REALLOCATION TO CO-OPERATIVE PROJECTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, before I ask my serious question, may I suggest—

Some hon. Members: Order!

An hon. Member: Ask the question.

Mr. Speaker: Order, please. I appreciate the hon. member's willingness to assist the Chair by making suggestions, but perhaps he could assist the Chair even more effectively by asking his question at this time.

Mr. Broadbent: Mr. Speaker, I was going to propose a 90-day freeze on questions of privilege but I will not do so.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, my question is directed to the Minister of State for Urban Affairs and relates to the increase of 6.8 per cent announced today in the cost of shelter in Canada. In view of this fact and the related fact that only 20 per cent of CMHC's capital budget is intended for low-income housing, will the minister consult in the next few days with the other two ministers responsible for that budget to see if there can be a significant increase in the allocation of money for low-income housing?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I appreciate the hon. member's support for low-income housing, but there must be some error in his figures. The capital commitment budget for 1973 for CMHC is 20 per cent over what it was last year, and over 80 per cent of the units we are building or financing this year will be in the category of low-income housing. in view of the hon. members' earlier intervention, and I know he is concerned about the level of expenditure in respect of co-operative and other forms of low-income housing, I will certainly give him an undertaking to meet the requests of the co-operative movement in respect of lending under the CMHC program.

Mr. Broadbent: Mr. Speaker, in view of the fact that the $2 million the minister has allocated for co-op housing which, on his own admission last night, would account for the construction of only about 100 units or one co-operative building, and in view of the fact the co-op societies in Canada have estimated their needs for this year to be $30 million in anticipated demand, will he assure the House now that he will reallocate sums to meet that anticipated demand of some $30 million?

Mr. Basford: I have grave doubts, Mr. Speaker, that the co-operative movement will be able to make loan applications to the extent of $30 million for the year 1973. Should they do so within the provisions of the act, I am quite sure I can reallocate money from somewhere to meet that request for $30 million.

Mr. Broadbent: A supplementary question—

Mr. Speaker: Order, please. The hon. member may ask a last supplementary question, after which I will recognize the hon. member for Northumberland-Durham and then the hon. member for Calgary North.

REQUEST THAT BANK ACT BE AMENDED TO COMPEL BANKS TO SET ASIDE PORTION OF INVESTMENTS FOR HOUSING AT SIX PER CENT INTEREST

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my supplementary question is directed to the Minister of Finance. In view of the fact the income of the average borrower under the National Housing Act is well above the average family income in Canada, will the minister take action by changing the Bank Act to make it mandatory that the banks of Canada set aside on an annual basis a certain percentage of their total investment for housing at an interest rate not exceeding 6 per cent?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the legislation introduced by my colleague, the Minister of State for Urban Affairs, will go a long way toward meeting that particular problem.

Oral Questions

THE CANADIAN ECONOMY

PRICE INCREASES—REQUEST THAT FREEZE BE IMPOSED

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I should like to get back to consumer price increases. My question is directed to the right hon. Prime Minister. In view of his comment a few moments ago that he and the government are considering the establishment of a food prices review board, in view of the fact that the staggering consumer price index increase revealed today covers all items and not just food, and bearing in mind the possibly unfortunate results of his remarks today, will he indicate to the House now, following the precedent of the freeze just put on Bell Canada rates, that the government will impose today a freeze on all incomes, costs and prices?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I want to thank this hon. member too for the policy suggestions he is drawing to the attention of the government.

* * *

HOUSING

INCREASE IN SHELTER PRICES—REQUEST FOR TEMPORARY FREEZE TO HELP THOSE ON LOW AND FIXED INCOMES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the answer the Prime Minister has just given I should like to zero in on one subject that is very important and in respect of which I think there is a national crisis. Will he now accept that there is a national shelter crisis in Canada in light of the fact that last year the increase was a big 5.9 per cent and there was a further increase last month, and is he prepared to use the crisis theory under our constitution and bring in at least a temporary freeze on shelter costs, namely, the cost of construction and the cost of land, to help particularly those people on low and fixed incomes at this time? I suggest there is a crisis and that the people are looking for some action.

• (1200)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, you will realize that these are very far-reaching suggestions that I am receiving from various hon. members opposite. I can do no more at this time than thank them very deeply for their assistance in studying this very serious problem. I hope they will not expect me to answer to shooting from the hip such worth-while and far-reaching suggestions. We will consider them.

SUGGESTED REMOVAL OF SALES TAX ON BUILDING MATERIALS TO LOWER COST OF SHELTER

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, this question is addressed to the Minister of Finance. This is the thousandth time it has been asked and it is still important. Would he now consider the repeal of the 11 per cent sales tax on building materials because the price of some building materials has risen by as much as 100 per cent, which means that the tax today, if it is related to when it was implemented, is really 22 per cent and not 11 per cent?

[Mr. Turner (Ottawa-Carleton).]

Mr. Speaker: Order, please. The hon. member has asked the question. Perhaps the latter part was an argument in support of his question.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the answer is still no, and I find my view supported by the newly elected president of the Lumber Association of Ontario who does not feel that the removal of the sales tax will have the effect the hon. member seeks.

Mr. Speaker: Order, please. This is debate between the hon. member and the minister. The hon. member for Champlain.

* * *

[*Translation*]

CRIMINAL CODE

ABORTION—POSSIBILITY OF AMENDMENTS

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Justice.

Could he tell us whether he intends during this session of parliament to alter the Criminal Code provisions on abortion?

[*English*]

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker.

* * *

INCOME TAX

DATE WHEN REFUNDS WILL BE AVAILABLE

Mr. Maurice Dupras (Labelle): Mr. Speaker, my question is directed to the Minister of National Revenue. It is pursuant to a statement made by the hon. member for Edmonton West yesterday in his speech, as recorded at page 3005 of *Hansard*, in which he stated that taxpayers entitled to reimbursements will have to wait until June or July in order to obtain their refunds. Will the minister tell us when these reimbursements will be made?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, the hon. member for Edmonton West is quite incorrect. We are processing these returns as they come in and refunds, dependent on the current budget bills, will go out within two weeks after these very welcome measures of Liberal tax relief become law.

* * *

THE CANADIAN ECONOMY

FOOD PRICE INCREASES—REQUEST THAT MOTION FOR CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE BE PROCEEDED WITH

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question supplementary to one asked before. I would like to direct it to the President of the Privy Council. In light

of the fact, indicated by the Prime Minister's answers, that the government has abdicated its responsibility either through fear or ineptitude, will the government House leader be prepared to consult with the other House leaders in order to permit the motion standing in the name of the hon. member for Vancouver-Kingsway, plus such amendments as may be moved to it, to be brought forward soon and brought to a vote so that the House may have an opportunity to fill the vacuum left by the government's inaction?

Mr. Speaker: Order, please. The minister may reply to the question, but the hon. member for Peace River, I am sure, will be the first to recognize that the question is not asked in procedurally correct terms.

FOOD PRICE INCREASES—SUGGESTED SUBSIDIES TO FARMERS AND ON IMPORTS TO CONTROL COST

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that the recent cost of living increase announced today is to such a large extent caused by the increase in the cost of food, will the minister and the government give consideration to the advisability of government subsidies on food prices both for the farmer producing food in Canada and on the large amounts of food imported into Canada on which no controls could have any effect?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the procedure that the government has adopted, of course, is to meet the problem the hon. member brings up by increasing the disposable income of Canadians by tax reductions and by eliminating one of the cost factors of food by taking off the sales tax on every item of food and drink except alcohol.

Mr. Orlikow: Mr. Speaker, in view of the fact that the organization of the food industry is such that distributors, wholesalers and retailers work on percentage mark-ups when the cost of the product at the farm level goes up the percentage goes up, would the government give serious consideration to a system of food subsidies which would eliminate increases of this kind?

Mr. Speaker: That also is a representation.

* * *

STATISTICS CANADA

REQUEST FOR ASSURANCE NO CHANGE IN CALCULATION OF CONSUMER, INDUSTRIAL SELLING AND WHOLESALE PRICE INDICES WITHOUT PUBLICATION OF DETAILS

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question which is further to a question I asked the Minister of Industry, Trade and Commerce. I notice he is not in the House. Perhaps his parliamentary secretary could answer for him. I have given written notice of the question. Recently I asked the minister a question regarding possible changes in the basis and procedures for calculating the consumer price index, the industrial selling price index and the general wholesale price index. I ask the minister now whether he will assure the House that no changes whatsoever will be permitted in the bases of these indices without publicly specifying the nature and details of the changes involved and simultaneously publishing the previously used bases and figures for a period of one year?

Hon. Robert K. Andras (Acting Minister of Industry, Trade and Commerce): Mr. Speaker, as acting minister I will be glad to take notice of the question and have my colleague answer it on his return to the House.

* * *

INCOME TAX

REQUEST THAT FARM LAND EVALUATIONS FOR CAPITAL GAINS BE MADE AVAILABLE TO FARMERS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of National Revenue. Would the minister make available to farmers the evaluation assessments made by departmental appraisers or by those working on behalf of the minister?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I think perhaps what the hon. member is referring to is not what he and others have been calling valuations but rather information being gathered for a real estate data bank which will assist taxpayers and the department in arriving at valuations on disposition of property. The kind of information that is being gathered, for instance, is the address, the legal description, the sale price, terms of sale, the municipal assessment, the dimension of the land and buildings and the income and expenses at the time of sale where relevant. So, obviously this is mostly available to the buyer and most of it actually comes from public records and observation.

APPRAISALS FOR CAPITAL GAINS TAX—POSSIBILITY OF VERIFICATION BY DISTRICT TAXATION OFFICES

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I have a supplementary I should like to direct to the Minister of National Revenue. In light of the fact many Canadians have already paid for appraisals to help them determine valuation-day values of their assets, particularly real estate, and many other Canadians are wondering whether or not to do so because of the capital gains tax provisions, will the minister undertake to provide some forum, possibly through the district taxation offices, so that these Canadians can have their appraisals officially verified or otherwise?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, that is not possible within the resources available to the department. I think the hon. member would not want such a proliferation of bureaucracy that would permit it. It is not possible to do that for farms any more than for any other assets that might be subject to capital gains tax. The valuation has to be made at the time of disposition, and we will help all we can through the real estate data bank to make sure that information will be available so that fair valuations can be made at that time.

Oral Questions

NATIONAL SECURITY

POLICE AND SECURITY PLANNING AND ANALYSIS GROUP—POSSIBLE ENLARGEMENT OF SCOPE AND ROLE

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Prime Minister. Are the role and scope of responsibility of the Police and Security Planning and Analysis Group the same today as they were when established by the government as the security planning and research group and, if not, on what date and under what authority was the decision taken to enlarge the role and scope of operations of this group?

Mr. Speaker: Order, please. I have the impression this is a question that might well be placed on the order paper. Indeed, there are questions closely resembling that asked by the hon. member already on the order paper. Unless there is some urgency or some other aspect to the question—perhaps the hon. member would rephrase the question.

Mr. Coates: Mr. Speaker, I think I am asking a very serious question which has tremendous import to this nation and I should like to point out why.

• (1210)

On September 21, 1971, this House was made aware of the scope and responsibility of an organization known as the security and research planning group. On April 4, 1973, another Solicitor General, in answer to a starred question, made certain information available to the hon. member for Leeds indicating the scope and responsibility of a new organization known as the Police and Security Planning and Analysis Group.

My question is put in all seriousness to the Prime Minister, and it is a very important question which I think has a great deal of urgency. I want to know—and I believe parliament should have the right to know—when the scope and responsibility of this organization changed, if they have changed, on what basis the changes were made, and what reasons led the government to enlarge the scope as outlined in the answer to the question of the hon. member for Leeds on April 4, 1973.

Mr. Speaker: The hon. member may be right but if, every time the Chair makes a ruling that a question might be put on the order paper, there is a question of privilege or a point of order or an argument raised whether or not the Chair is wrong in its judgment, hon. members can see where that would lead. I am sure I must be wrong very often, so there would be a debate in many instances. The Standing Order does provide a remedy for hon. members in that the matter can always be brought forward at the time of adjournment. At the same time, we have some minutes left before the end of the question period and if one of the ministers would like to reply quickly to the hon. member's question I have no objection.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I certainly agree with you that your ruling had nothing to do with the importance of the question asked. I realize its importance. It is probably also urgent in the eyes of the hon. member. But I think that the suggestion Your Honour made of putting the question on the order paper is the best way of getting the answer from me. I would have to ascertain from the Solicitor General if there have been any changes, in depth or otherwise, in the set-up. To my knowledge, none have been made aside from a slight readjustment in name. The Solicitor General has invited hon. members to visit the premises and to meet the group. We are as open as possible on this. But the suggestion of putting the question on the order paper is the best way for me to give a thorough answer to the hon. member.

[Mr. Stanbury.]

INQUIRY AS TO REASON FOR REMOVING RESPONSIBILITY FOR SECURITY MATTERS FROM ROYAL CANADIAN MOUNTED POLICE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I say with great deference that the suggestion that questions be put on the order paper indicates that Your Honour has not carefully examined the degree to which this government covers up information by not giving answers to questions on the order paper.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I want to direct a question to the Prime Minister, whose responsibility as Prime Minister is paramount on the matter of the security of our country from within and without. I want to ask him this question. In relation to the security of classified information, which normally would be under the control of the Royal Canadian Mounted Police, has anything taken place in recent weeks or months that indicates that the RCMP cannot look after security of that kind and security in general?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, here again I would give the same answer but I would also like to make a suggestion. If the system of putting questions on the order paper is not satisfactory—the House will realize that in the case of questions such as this one it is impossible for me and probably for most ministers to come up with an answer when the question is posed without notice—perhaps we could adopt the British system and change the question period into one where notice would be given to the ministers in advance. Then, they would answer from time to time in the House to this type of question. I would be very happy to do that, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Even on this very happy occasion of the right hon. gentleman's fifth anniversary as Prime Minister, I find it necessary to ascertain from him why there has been a change and why such security has been removed from the RCMP by means of the establishment of this organization, the Police and Security Planning and Analysis Group. Why, I ask him, is the security of classified information taken over now by a group responsible only to the Solicitor General? Does he not realize that this kind of thing would permit concealment, would permit the government to pretend that certain documents were—

Mr. Speaker: Order, please. The right hon. gentleman has asked the question.

Mr. Trudeau: Mr. Speaker, you will recall that when the report of the Royal Commission on Security was brought down before the House a couple of years ago, one of the recommendations was to take security and intelligence away from the RCMP and to make it a purely civilian function. At that time we did not do this; we left it under the authority of the commissioner of the RCMP but under the directorship of a gentleman reporting to the commissioner and to the minister, a gentleman who was from the civil side of our society. I remember at the time there was criticism of this decision from hon. gentlemen opposite because we had not followed the recommendation and had not taken security and intelligence entirely away from the RCMP. I find it strange now that they are criticizing the general compromise position we took of leaving security and intelligence under the RCMP. I think they will have to make up their minds.

Mr. Speaker: Order, please.

Mr. Diefenbaker: This is a question of privilege.

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, I wish to rise—

Mr. Speaker: The right hon. gentleman should resume his seat, and then I will recognize him. He says he has a question of privilege and I will recognize him for that purpose.

Mr. Diefenbaker: The right hon. gentleman cannot get away with such a subterfuge. That is too patently transparent even for him who, two years ago—

Some hon. Members: Question!

Mr. Diefenbaker: —in December, said that inflation had been beaten and the government had done it. I have before me the recommendations referred to by the former Solicitor General at page 8026 of *Hansard* for September 21, 1971 when there was set up a security planning and research group. That research group dealt with insurrection potentialities in Canada but not with other matters that come within the jurisdiction of the RCMP.

Some hon. Members: Hear, hear!

Mr. Speaker: I am not sure whether the right hon. gentleman is on a question of privilege or whether he intends to ask a question. It seems to me that we are obviously having a debate at present. The right hon. gentleman should ask the question.

Mr. Diefenbaker: May I say with great deference, Sir, that a debate consists of a difference of opinions. This is a fact that I am placing before the House, not the imaginary conjuring up of something to explain by the Prime Minister. I ask him this, and it is a simple question. He is in charge of security. Why has it become necessary to remove from the RCMP the protection of the security of classified information? Why has that been done?

Mr. Speaker: Order, please. The question has been asked. The right hon. Prime Minister might be allowed to reply. We have gone beyond the question period, but I will recognize the hon. member for Scarborough West and the hon. member for Fraser Valley West. We will have one question at a time. First, the right hon. Prime Minister might be allowed to reply to the question asked.

Mr. Diefenbaker: Mr. Speaker, I am always very deferential, but there is a matter at stake here that is dangerous to our country. I want to know why there has been a change. Is the government trying to cover up? Has it some confidential, secret documents that it does not want the RCMP to have?

• (1220)

Mr. Speaker: Order, please. For the last five minutes I have been trying to give the right hon. Prime Minister an opportunity to reply. Unless there are many other points of order and questions of privilege, I will then try to recognize, as I said, the hon. member for Scarborough West who has been attempting to get the floor for the past 25 minutes on another question.

Mr. Cossitt: Mr. Speaker, on a question of privilege—

Mr. Speaker: Order, please. I apologize to the right hon. Prime Minister. He will have to wait to reply to the right hon. member for Prince Albert.

Mr. Cossitt: Mr. Speaker, in deference to the office of the Prime Minister I will hold my question of privilege until he replies.

Mr. Speaker: We must have some order. The hon. member should state his question of privilege now. After that I will allow the Prime Minister to reply and the hon. member for Scarborough West to ask his question, and perhaps by that time we will be able to call it one o'clock.

Mr. Cossitt: Mr. Speaker, I rise on a question of privilege. On Wednesday last the Solicitor General gave his answer to starred question No. 1,779 which I had placed on the order paper, on the subject of the Police and Security Planning and Analysis Group. The right hon. member for Prince Albert has just now drawn the attention of the House to information previously given on this same subject in the days of the predecessor of the minister, and I find that there is a very material difference. Indeed, I would say the discrepancies are startling, and this leads me to question most seriously whether the rights and the privileges of the members of this House have been interfered with in some way.

What exactly has happened here? One of the ministers involved, either the present minister of his predecessor, was not correct in the information he gave to this House, or else the functions of the Police and Security Planning and Analysis Group have been fantastically expanded. I respectfully submit that either of these two possibilities raises a very distinct matter of privilege.

An examination of the answer given by the minister on Wednesday last to starred question No. 1,779 clearly shows that the minister states that the Police and Security Planning and Analysis Group has assumed functions that were, in effect, categorically denied in the previous information given to the House. To illustrate this I refer to the answer given to part 1 of my question on last Wednesday,

where all sorts of things were included, as the right hon. member for Prince Albert has pointed out, that were not included before.

If the statements of the minister on Wednesday last are correct then I submit that in these statements there is a case of privilege involved by virtue of the fact that there is only one possible conclusion to be drawn, namely, that the government has been hiding legitimate information from the members of this House as to the true nature of this police group and that the government, without the knowledge and without the consent of the people of Canada through their elected representatives in this House, has subverted the RCMP, which has been the incorruptible symbol of Canada throughout the world, and has placed certain functions which everybody believed were functions of the RCMP, without the knowledge of the members of this House, in the hands of a group totally unauthorized by this House to perform such functions.

I submit, as one final submission to the House, that what is certainly an affront to and a breach of the privileges of this House is that there is the possibility that the government has been creating, unannounced and behind the scenes, some monstrous form of political police snoopery that is a threat to the democratic principles of this country.

Some hon. Members: Oh, oh!

Mr. Cossitt: What is the Police and Security Planning and Analysis Group? What kind of a dictatorial horror has been manufactured by the government—

Some hon. Members: Oh, oh!

Mr. Bell: It is another Watergate scandal.

Mr. Speaker: Order, please. I believe the right hon. Prime Minister was seeking the floor a moment ago to reply to the right hon. member for Prince Albert. Although the time allotted for the question period has expired, I think that after that I should still recognize the hon. member for Scarborough West.

Mr. Trudeau: Mr. Speaker, I realize that the question is an important one, and it is because of that I suggested that, if hon. members had given notice of the question, as we give them notice, Sir, of statements we are going to make on motions, I perhaps would have been able to answer it.

Mr. Diefenbaker: Doesn't the Prime Minister know what is going on in security?

Mr. Trudeau: Mr. Speaker, I do know one thing that is going on. It is that the Conservative party is deliberately trying to prevent the House from working.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Scarborough West.

Mr. Bell: Bring on the taxation bills.

Mr. Cossitt: Mr. Speaker, on a question of privilege—

[Mr. Cossitt.]

Mr. Speaker: Order, please. The hon. member should resume his seat. It is elementary, when the Chair has the floor, that hon. members should resume their seats. The hon. member for Leeds indicates that he wants to rise on a question of privilege.

Mr. Cossitt: Mr. Speaker, I consider it is a legitimate question of privilege when a member of this party raises a matter of concern to all Canadians, a matter of a very serious nature, and the Prime Minister makes some remark about the Conservative party as a way of passing it off. I think it is a matter of privilege when questions are asked in this House by a member and the Prime Minister passes them off by arrogance or by red herrings.

Mr. Speaker: Order, please. I will not say what is going through my mind at the present time regarding this alleged question period. I recognize the hon. member for Cape Breton-East Richmond on a point of order.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order.

Some hon. Members: Oh, oh!

Mr. Speaker: I am listening to the hon. member. Perhaps he might proceed.

Mr. MacInnis (Cape Breton-East Richmond): The point of order arises from the last answer given by the Prime Minister. As you know, Mr. Speaker, questions are often ruled out of order, but the answer by the Prime Minister on this occasion imputes motives to the members of the Conservative party simply because they asked under what authority certain matters had been done and certain information sought. He thereby violated a rule of the House and he should be called to order for an improper answer.

Mr. Speaker: The hon. member for Scarborough West.

Mr. Lawrence: I rise on a point of order.

Some hon. Members: Oh, oh!

Mr. Speaker: Order. The hon. member rises on a point of order.

Mr. Lawrence: Mr. Speaker, my point of privilege is this: I am a member, and proud of it, of the Conservative party in this House. There has been a claim in the House, by the leader of the government in the House, that those of us who belong to the Conservative party unduly delay the work of the House.

Some hon. Members: Hear, hear!

Mr. Lawrence: I personally, Sir, bitterly resent that.

Some hon. Members: Oh, oh!

Mr. Lawrence: I think that is a reflection on the way in which I carry out my responsibilities.

Some hon. Members: Hear, hear!

Mr. Lawrence: I think there has been a great deal of delay in the House in respect of the business of the people

of this country. I firmly believe, Sir, that it is the responsibility of the House leader and of the government of the country to get on with that business. But above all, Sir, I think there has been a reflection on my responsibilities and on the way I carry them out here, and I ask the Prime Minister now to retract unreservedly and apologize to the members of the Conservative party.

Mr. Speaker: I suggest to hon. members that this is not the first time that one party has accused another party of delaying the work of the House. This kind of accusation is made all the time.

Mr. Lawrence: Then it shouldn't be.

Mr. Speaker: Order, please. The hon. member has stated his case. I cannot agree with his suggestion that it is a question of privilege. The hon. member may feel hurt or may feel that the statement or suggestion made is unfair or incorrect, but that does not necessarily make it a question of privilege.

While hon. members may be asked from time to time to withdraw a statement that is unparliamentary, I suggest to hon. members that in the cut and thrust of debate in the House many statements are made in relation to the other parties, and even during the current session I have heard serious statements made in relation to other parties, by members of one political group in relation to other political groups, but the suggestion has not been made, at least that I have noticed, that those statements are unparliamentary. They are part of debate. I am not sure whether they should be but they are. It is a practice that I am sure hon. members will recognize has existed for a long time. I doubt that the matter can be considered as a question of privilege.

• (1230)

Mr. Baldwin: Mr. Speaker, may I agree with you and say that we should get on with the business of the House.

Some hon. Members: Hear, hear!

Mr. Baldwin: That, Mr. Speaker, is the discussion of a tax bill which it has taken the Minister of Finance 11 months to get to the House.

Some hon. Members: Hear, hear!

Mr. Bell: He is afraid to bring on the corporate tax bill.

Mr. Speaker: Order, please.

Mr. Howard: Mr. Speaker, I rise with respect to the question that was put forward today dealing with the business of the House. I should like to submit on a point of order that when a government seeks to set up a secret police force, in my opinion that is a good reason to delay the business of the House and find out—

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I think I gave an undertaking a long time ago to the hon. member for Scarborough West that he would be given the right to ask his question, after which I will call orders of the day—with the assistance of hon. members.

INDUSTRY

CLOSING OF RADIO PRODUCTION AT DON MILLS PLANT OF PHILCO-FORD—GOVERNMENT ACTION

Mr. John Harney (Scarborough West): Mr. Speaker, my question to myself is—how do I follow an act like that? I must say that after hearing this 20 minute debate on the rights and interests of members of this House, it is with a certain trepidation that I rise to ask a question on the rights and interests of the ordinary working people in my riding. My question would be directed to the Minister of Industry, Trade and Commerce if he were here but I will direct it to the acting minister, the Minister of Manpower and Immigration. My question concerns the announcement by Philco-Ford of Canada, as it were, that they are going to close down the rado operation of their Don Mills plant, thus throwing 100 or more production workers out of work. In view of the fact that the total production of this unit will be moved to Brazil for re-entry into Canada, would the minister advise the House whether there is anything he can do or that can be done under the provisions of the auto pact to have the company reconsider this decision made with ruthless and impersonal disregard of Canadian interests and the rights of Canadian workers?

Mr. Speaker: The minister will be recognized for the purpose of a reply to the question, and then I shall call orders of the day.

Hon. Robert K. Andras (Acting Minister of Industry, Trade and Commerce): Mr. Speaker, as acting minister I shall bring the question to the attention of the Minister of Industry, Trade and Commerce and I am sure he will reply on his return.

Mr. Harney: A supplementary, Mr. Speaker—

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Thursday, April 5, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-170, to amend the statute law relating to income tax, be read the second time and referred to the committee of the whole.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, before the adjournment debate last night, I had expressed my wish to make a few remarks about the bill now before us, Bill C-170, which some of us consider as a reform of the tax reform. We all recall that the previous reform—

Mr. Speaker: Order please. I regret to interrupt the hon. member, but I would invite hon. members to be more courteous toward those who want to listen to the statement of the hon. member for Portneuf.

Mr. Godin: I thank you, Mr. Speaker.

We all remember that the reform inspired by Bill C-259, passed on December 17, 1971, neglected some categories. In the bill before us, we find about the same faults. If the slogan of a just society has lost its value, it is simply because the Canadian government neglected to recognize some responsibilities, and I think that those who pay taxes should have the same privileges in return.

In 1971, I pointed out the advantages enjoyed by some professionals, namely lawyers, notaries, doctors and the members of any other profession who have a right to claim expenses incurred in the practice of their profession. Mr. Speaker, I not only agree but once again I congratulate all these people who succeeded in having laws passed which favour them.

But I think it is my duty to claim the same rights and the same privileges for other Canadian workers. Among these are construction workers, auto mechanics and forest workers. If often occurs that construction workers need tools worth $1,000 and they must continuously replace these tools they cannot do without. The same thing applies to auto mechanics, except for the fact that the value of a tool chest can reach $2,000. For them also there are new tools to get because of the changes in car models and because of wear and tear.

It is the same thing for wood cutters and forest workers who must part from their families for long weeks and who must support rather considerable travelling expenses in addition to their tool expenses. I believe it would also be in order that those workmen be allowed to deduct all such expenses from their taxable income, within certain limits, however, that is within a reasonable daily or weekly commuting distance.

Moreover, thousands of employees of the private or public transportation systems: railwaymen, bus drivers, truck drivers, have to take most of their meals outside their homes. It is only normal that a man should eat three times a day. So the government should allow, when determining the taxable income, such extra expenses to be taken into account in respect to various jobs.

Some tax rules recognize some expenses, but the implementation of those rules make me wonder. I hope I am mistaken, but I fear that the implementation of the Income Tax Act can vary between the year before a general election and the year after.

Let me quote before the House two documents concerning the meal expenses that truck drivers are trying to have allowed as deductions in the legislation. With leave of the House, I shall read a letter that was addressed to me by the Minister of Consumer and Corporate Affairs (Mr. Gray), then Minister of National Revenue, on March 19, 1971. I quote:

> Further to the questions you asked in the House on February 17 and March 4, 1971, I have to inform you that the department has not established new rules prohibiting deduction of the cost of one meal per day by the taxpayers.
>
> In fact, following several complaints, similar to those expressed by your constituents, in the year 1969, the department has conducted a study on the matter of expenses incurred away from home which transportation and railway company employees throughout the country wish to claim as a deduction. This study showed that many of these claims were not supported by vouchers and that the department's policy was not consistent.

[Mr. Godin.]

> It was found that those taxpayers find it hard to keep records and obtain vouchers to account for their meal expenses. Consequently, a policy was adopted under which workers in transportation and railway companies, when they could not produce vouchers, received an allowance based on the length of their stay away from their usual residence and on a reasonable amount for the cost of each meal. Moreover, the study we conducted as well as the discussions we had with officials of various trade unions have shown that an amount of $1.75 for each meal was reasonable.

• (1240)

> As a rule, when a taxpayer has to be away from his normal place of residence for a period of at least 10 hours, he is allowed to claim three meals at $1.75 each, or a total of $5.25.
>
> I must point out that when a taxpayer produces the TL22 form, which is in fact a claim for expenses incurred away from home, as well as the vouchers for his meals on the road, he may be granted more than $1.75, this amount having been set to check the claims from taxpayers without vouchers.
>
> If you feel that some of your electors were not compensated according to the policy outlined above, please send me their names and addresses.

The letter ends with these words:

> Sincerely yours.

And it is signed by the minister.

Last January I received another document from the Minister of National Revenue (Mr. Stanbury) concerning the various claims of truck drivers. It contains the example of a taxpayer whose claim for 1970-71 was reduced from three to two meals a day. In the absence of a detailed report and of a statement of night trip expenses, this would seem to be fair.

In connection with another case, we can refer to information circular 71-30 which reads as follows:

> —When a truck driver has the right to deduct meals, he must provide vouchers for claims over $2.50. All meals claimed by this taxpayer were approved, but since he did not supply vouchers, his 1970 claims were reduced to $2.50. His 1971 claim was reduced to two meals a day at $2.50 a meal, in the absence of a detailed report and statement of night trips. This would seem fair.

Mr. Speaker, some senior civil servants informed me that the letter from the Minister of National Revenue dated 19 March 1971 contained a mistake.

The mistake was allowing $5.25 a day for meals for a 200 pound truck driver who works 65 hours a week.

Apparently, the truth was to be found in the second document: two meals a day at $1.25 each.

Mr. Speaker, truck drivers are not asking for their meals to be reimbursed. All they are asking is that their meal expenses be acknowledged and be made tax deductible. There is quite a difference. I am sorry to have to point this out, because I think that there are two sorts of ministers in the present government: there are the good guys, and the others. Personally, I like to think the hon. Minister of National Revenue belongs in the first group.

In view of the Department of National Revenue's large number of employees, the minister obviously cannot control all those public servants. There may be among them people who like to make trouble, over-eager people ready to defy regulations.

So, Mr. Speaker, public accounts have already revealed that the Canadian government was paying for $65-a-day hotel rooms and $12 meals for some CBC employees.

Mr. Speaker, I feel there is too great a difference. In fact a $12 meal for an employee who is wondering what he was hired to do and a $2.50 meal for another whose 65-hour week is not long enough for him to do his work, is somewhat revolting.

Now, Mr. Speaker, I wonder what to believe. Because of contradictory documents, I am under the impression that the more you ask the greater the chances of getting it. And in certain cases regulations seem to be truly ignored. Allowing $5.25 to a truck driver who works about 250 days a year means that he can claim about $1,300 a year. In the riding of Portneuf one man put in a claim for $1,675. For 1971 he gets back from the Department of National Revenue the following correction: Travel expenses claimed: $1,675, revised travel expenses: $1,115, which is not too bad for this man.

There is another one who asked for $1,500 for 1970. The department answered: revised travelling expenses—$1,000. Another one, Mr. Speaker, had claimed $1,300 for travelling expenses in 1971. He received the following adjustment: revised travelling expenses—$910. A third applied for past travelling expenses of $1,312 for 1971. He was abiding by the rules, according to the letter from the former Minister of National Revenue. Nevertheless, the department sent him a new bill which read: revised travelling expenses-$875.

A fourth claimed $1,275. He received the following note: revised travelling expenses—$875. A fifth claimed $1,280 which was reduced to $868. One who had applied for $1,026 for 1970 was allowed a deduction of $708.75. Another who had claimed $1,061 for 1971 was allowed $647.

Mr. Speaker, another claim of $941 for past travelling expenses in 1971 was changed to read: revised travelling expenses—$437.50.

Some were totally disallowed. Others filed a regular claim and were disallowed 50 per cent of it.

Mr. Speaker, how are regulations applied? I am still wondering since I am under the impression that the higher the claim, the likelier a truck driver is to see his expenses allowed.

On March 4, 1971, the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) gave me the following answer which I am reading as it appears in *Hansard* for March 4, 1971, page 3981:

> Meanwhile, the hon. member may be assured that the 9,000 audits referred to in the question he asked originally—and presumably the instance that he cited this evening was an example of one of those—are simply desk audits in the ordinary course of the department's 1970-71 reassessment program pertaining to the returns of taxpayers who have claimed deductions from taxable income of personal living expenses while away from their ordinary place of residence. This is part of the regular departmental procedure to assure that our self-assessing tax system works properly.

Mr. Speaker, accounts are sent to know if the system works. I think that we can work with such methods only in the name of the law. We want to know if it works, so we send accounts. Let us imagine the small retailer who would send fictitious accounts to residences in his neighbourhood to know how it works! Imagine a taxi company that would start collecting money for fictitious trips to know how it works. I think it would not be long before people would call it highway robbery or a scandal. I think they would be right. This is called tampering.

Mr. Speaker, the many officials working for the department should concentrate on something else. In the name of the law, foolish things, can be done, but I ask the Minister of National Revenue to suggest to his officials to proceed with understanding, honesty and, above all, common sense.

Also, Mr. Speaker, I wish the minister would make us aware of his intentions. I wish he would make a statement to the House in order to assure the nation's truck drivers that they are entitled to three meals a day.

I would also like to suggest that the act provides for a penalty equal to 50 per cent of the present tax which some citizens would try to evade. I do not see anything in this bill aimed at changing this provision of the act.

In fact, right now, anyone having violated the Income Tax Act has to pay a fine equal to 50 per cent of the unpaid tax. Which means that if a person owes $5,000 in income tax, he will have to pay $7,500.

• (1250)

In some cases, I find this legislation quite ridiculous, because we often realize that those who worked harder are those who are the most hurt by its enforcement.

Tax officials go everywhere, make investigations, harassing small businesses, mostly, private enterprise, corner stores, those who work 365 days a year, who never go to Florida and who support only one woman, their wife.

Then, they show up at a business that does not operate like a company. This businessman has been living so sparingly that he has managed to save $150,000 over 20 years. Now the investigators prosecute him. He is charged with having concealed some income, and he is billed. In addition to his income tax, he must pay a fine. As he is kind-hearted—whether he is a dealer or a businessman—who earns his living and has customers, too often he pays without uttering a word, because he is unfortunately afraid of being pointed at. I think he could avail himself of the act and demand that his case be heard before a court. But to save his reputation and his business he cannot afford to make his problem known publicly.

Unfortunately it is too often that industrialists and businessmen are faced with that problem. I would like to get the minister's views on that practice.

We know that there are families which manage with $6,000 a year and that for others $12,000 is not enough. I think that surveys made by the Department of National Revenue should take those facts into consideration.

When an industrialist or a businessman has set $10,000 aside, it might well be that he hid nothing but it can very well be that he administered his business as a true businessman.

Another thing I would like to point out with regard to Bill C-170 is that the bill contains certain provisions dealing with the transfer of family farms. On the face of it the provisions seem interesting. However, looked at in the general picture this measure is far from being adequate

as it deals only with the transfer of farm property at the death of the father or the mother.

In brief, under the present government one must die to expect benefits. That provision of the act really lacks rationale and I think it should be amended so as to make it more reasonable.

At the moment, farmers as all other citizens of Canada must wait until they are 65 to qualify for an old age pension. One must remember that farmers as other citizens work hard. Some are exhausted, others are stricken by illness. the case might very well happen where for such reasons a farmer is forced to sell his farm to his son at the age of 55 or 60. And because social welfare allowances in Quebec are very low the farmer selling his farm should normally expect to benefit from his property and live a few years of peaceful life.

That is why I hope the minister will come up as soon as possible with changes which I consider indispensable for that class of society.

We all know how difficult it is to live on a farm and those who succeeded in that profession had to work very hard. They turned to their wives and to all the other members of the family for help. For this reason, it is the Canadian government's duty not only to bring in measures to incite young farmers to take over but also to spare the latter the pain of seeing unduly heavy or harsh taxes levied against parents who wish to retire at a reasonable age or who are compelled to stop working.

[*English*]

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I wish to speak very briefly on this matter and one other matter that was raised a little earlier about the passage of legislation through this House. It should be on the record that those of us in this party certainly intended to see passage of second reading of this bill last night. We were fully in agreement with the Minister of Finance (Mr. Turner) on this matter, as I am sure he will acknowledge. It was not our group that held up the passage of this legislation last night.

With all due respect, if the Prime Minister (Mr. Trudeau) were in his place in this House a little more often to see what is going on here, he would not be so wild in his accusations about holding up legislation. We were quite willing to pass second reading of this legislation last night. It was another group in this House which indicated it had a long list of speakers, and that is what is holding up this bill.

There is only one other matter I wish to mention. My intention is to urge the minister and the government to reconsider this bill and redraft it slightly to make it more realistic to the needs of the farming community. There is no denying that this is sensible and necessary legislation. I know that we in the Conservative party were complimented frequently during the election for proposing in our platform that capital gains taxes should be waived on the transfers of working family farms from one member of the family to another. I might compliment the government for its wisdom in lifting this plank from our platform. However, I would like to stress, Mr. Speaker, that they have not taken the whole plank. In fact, they have forgotten or ignored a very important part of it.

[Mr. Godin.]

Politics aside, Mr. Speaker, the trouble with this bill as it stands is that it does not go far enough. I think all members of this House who represent farming areas will agree with me on this point. The legislation, to fully accomplish its intent, should waive the capital gains tax where a farmer who is retiring, passes on his farm to his son, daughter or spouse who is to continue to work the farm. The child or spouse should not have to wait until the father dies to become owner, or else pay capital gains tax.

As one agricultural spokesman in my riding noted when referring to this measure, many farmers are notoriously long-lived. Therefore, as this bill now stands, we could have a retired farmer dying at age 90 and passing on his farm tax-free to his son who is 70 and also retired, and whose own sons, or perhaps even grandsons, are the ones actually working the farm. It is unrealistic. It creates as legal fiction. Surely, it is only sensible and realistic to allow the ownership to pass, unhindered by this tax, to the member of the family who is actually working the farm.

I recognize that at this stage such an amendment by us would be out of order, but I hope that all members of all parties will agree to a Conservative amendment which will be moved in committee along these lines.

Mr. Speaker: It being one o'clock, I do now leave the chair. The House will resume at 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I should like to confine my remarks this afternoon to the proposed amendments to the Income Tax Act as they relate to the farming community.

I listened with a great deal of interest to the budget speech delivered by the Minister of Finance (Mr. Turner), on Monday, February 19, in the course of which he said:

> I should like, now, to draw your attention, Mr. Speaker, to another matter which is of great importance, namely the preservation of the family farm.

I expected the minister would then go on to announce tax changes which would in fact help to preserve the family farm. I thought that at long last the government really intended to recognize the pressing problems in agriculture. The thought occurred to me that the election slogan "the Land is Strong" was not just a gimmick but something in which members on the other side really believed. I guess I was wrong. It was a gimmick, and the land is strong only when the farmer dies.

What we need is legislation which will exempt the family farm from capital gains tax when it is transferred during the lifetime of the farmer. The Minister of Agriculture (Mr. Whelan) has gone around the country attempting to give the impression that the present legislation is great legislation, and that it has solved the problems of the farmer who wishes to pass his farm on to his son. I suggest the minister does not understand the legislation. At least, he did not understand it eight days after the

budget. He did not understand that it referred to the transfer of land on death only.

Mr. Whelan: I did so.

• (1410)

Mr. Neil (Moose Jaw): Let me quote from notes of an address the Minister of Agriculture made to the annual meeting of the Canadian Horticultural Council at the Chateau Laurier on February 27.

Mr. Whelan: Someone has already done that.

Mr. Neil (Moose Jaw): He said:

> Farmers specifically got an exemption from the capital gains tax for family farms passed from parents to children. I welcome this change for two reasons. First of all, it recognizes the importance of the family farm as our basic unit in agriculture. This tax concession does not apply to corporate giants, but to the family farm. Second, the change encourages farmers' children to stay in this business of agriculture. We need good, young farmers in Canada today. A high percentage of our farmers are at, or near, retirement age, and we need the help the budget gives to transfer farms to the next generation.

It is obvious that the Minister of Agriculture was not consulted by the Minister of Finance when his budget was prepared. It is obvious that what the Minister of Finance did was attempt to adopt one of this party's proposals during the election campaign, a proposal he thought was popular with the farmers in the west and one which would make him popular. He did not do his homework as well as he did when he adopted some of our other proposals, such as reducing personal income tax. He only adopted part of this proposal.

I suggest that neither the Minister of Agriculture nor the Minister of Finance understands the problems involved in passing on a family farm from generation to generation. I have practised law in an agricultural area for over 20 years, and I can assure both hon. ministers that even without the capital gains tax, without estate taxes or succession duties, there are numerous problems. It is very rarely that a farmer wishes to retain his farmlands until he dies and then pass them on to his son. He wants, in a majority of cases, to retire at 60 or 65 years of age and at that time turn his farm over to his son. Sons will just not wait and do not want to wait until their fathers die before establishing themselves in farming. If there is more than one child in a family a son does not want to run the risk of waiting until his father dies because, in many cases, the son is middle-aged before his father passes on.

During the lifetime of his father he could make a reasonable business deal with him for the purchase of the farm on agreed terms, whereas in many cases on the death of the farmer the son is faced with the fact that there are other members of the family who have a share in the estate, or is suddenly faced with the need to raise a substantial amount of cash in order to pay off the other beneficiaries. In numerous cases, and I have seen this happen often, a son has not been able to raise sufficient money to buy out his brothers, sisters and other members of the family and the family farm has had to be sold. The son then finds that he has spent most of his life working on the farm for nothing.

Quite often as well a situation arises in which a son has worked all his life on the family farm, only to find that in the final one or two years of the father's life they become involved in an argument, the father changes his will and the farm goes to someone else so the son is left with nothing. The most common arrangement over the past number of years between fathers and sons has been for the son to work for the father, building up some capital of his own, possibly acquiring some land of his own, and then, when the father is ready to retire, the son purchases the farm.

Farm prices in Saskatchewan, as hon. members are probably aware, are subject to wide fluctuation. Valuation day, December 31, 1971, was a time when farm prices were low, possibly 50 per cent lower than they were two years previous. Since December 31, 1971, farmland has started to increase in value and, if we continue to have good markets and good prices for grain, the price of land will continue to rise. I suggest that soon there will not be a farm in the province of Saskatchewan which will not be subject to capital gains tax when sold. I suggest also there will be a continuing and increased reluctance on the part of farmers to sell or transfer their land to their sons because this will attract a substantial amount of tax, and the result will be that instead of preserving the family farm there will be a destruction of the family farm.

I would urge the minister to give immediate and serious consideration to the elimination of capital gains tax on the disposal of farms during the lifetime of the farmer, not only when he transfers or sells the farm to his son or a member of his family, but also when a farmer disposes of his land to anyone during his lifetime. The Minister of Finance and the Minister of Agriculture might say that to eliminate the capital gains tax on any sale by a farmer would be giving the farmer an unfair advantage in relation to other citizens of Canada. I submit, Mr. Speaker, that this is not so, and I would point out that in a majority of cases the only source of funds many farmers have for retirement use is the proceeds from the sale of their farmland.

In rebuttal the minister might suggest that a farmer on retirement can draw the benefits provided under the provisions of the Canada Pension Plan. On March 19 I spoke in this House on a motion I submitted on January 12, suggesting that the government should give consideration to the advisability of allowing farmers to make contributions to the Canada Pension Plan, regardless of their net income. In that speech I pointed out that the income of a farmer is subject to great fluctuation and, generally speaking, in a five year period a farmer would have one or two years of substantial income and two or three years with little or no income or, in many cases, a substantial loss. The result is that the farmer probably makes Canada Pension Plan contributions two years out of five on the average and, therefore, when he begins to draw his pension on retirement it will only be nominal.

Many family farms today are small units and, generally speaking, after the debts most farmers have are paid following disposal of the farm, the net return from the sale is no more than sufficient to enable the farmer to retire comfortably. If we charge a capital gains tax on the sale of such a farm we will further reduce the amount the

farmer has available for retirement. The minister has not seen fit to say whether the elimination of the capital gains tax on the passing of a farm at death refers to the shares held by a farmer in a family farm that has been incorporated. It may be that he has been reluctant to exempt the disposition of shares in a family corporation because this might upset hon. members to my left. To them the word "corporation", whether it be large or small, is a dirty word, and I appreciate that the minister might be reluctant to upset those hon. members and do harm to their cosy relationship.

I point out to this House that in the past eight or 10 years it has been fairly common, in Saskatchewan at least, for a farmer and his son or sons to incorporate. I will not go into the reasons for incorporation as I am certain the hon. minister, being a lawyer, will understand. Basically, however, incorporation has been carried out by farmers as a means of estate planning. If a farmer is not allowed to dispose of his shares on death without attracting a capital gains tax, I suggest that this particular segment of our farm population will have been discriminated against. The preservation of the family farm is of vital concern to all Canadians. We must do our utmost to ensure its continued existence. I am sure it was an oversight on the part of the Minister of Finance when he failed to adopt our policy in total. It could not have been intentional. Our party will give the minister its wholehearted support if he will now undertake to adopt the balance of our party's policy.

• (1420)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, Bill C-170 on personal income tax will not bring much of a tax relief to the working people.

Increasing the basic exemption by $150 or $200 a year is no big deal. For years we have been requesting that all incomes under $5,000 for married people be income tax free and that a personal exemption be granted amounting to $500 per child. With a family of six children, the exemption would be $3,000.

We also ask that all incomes under $2,500 earned by single people be tax free and this would improve the plight of those who have no way of "playing" with the tax department. In fact, in their case, their taxes are deducted from their salaries whereas for the well-to-do people there are always expenses for administration, recreation, maintenance and communication which can be claimed as exemptions.

Such is not the case for a worker. The men working for Noranda, in my constituency, and those working for Canadair Limited or Canadian Vickers Limited, in Montreal, have their salaries reduced even before getting their cheques. The situation has become unbearable. I remember myself saying about 20 years ago: if we continue in this direction, within a few years the cheque vouchers will be twice as long as the cheque itself. Have we not reached that point now? In effect, the cheque vouchers are at least 18 or 24 inches long and the cheque itself about 6 inches. If we keep on like that for 10 years more the worker will not get any cheque. He will simply receive the voucher which will explain to him how his money has been spent.

[Mr. Neil (Moose Jaw).]

There will no longer be any salary but only a breakdown of expenses imposed by bureaucrats, technocrats and all the government employees.

There is another thing that we requested, and that we are still requesting: How is it that a worker, whether he is employed by Canadian National, Canadian Pacific, Air Canada, Coca-Cola Ltd. in Montreal or Seven-up in Lévis, or by the little spruce beer plant in Chicoutimi, may not deduct from his taxes his own tools that he uses in his work?

All classes of society have the right to deduct tools and even clothing, within limits.

For example, a doctor can deduct from his income tax any new scalpels that he buys. His new office is tax deductible; if he uses his car to go and see patients, he deducts that from his income tax.

And yet the worker in Montreal, Rouyn, Quebec City or Trois-Rivières does not have the right to deduct his car expenses for going to work; he does not even have the right to deduct expenses if he uses public transport.

To work in a mine, for example, you need a whole set of equipment: a special helmet, a gas mask, rubber clothing. The worker cannot make deductions. He has to buy boots, a safety helmet, a lamp; yet he may not deduct from his taxes these expenses that are directly incurred in carrying out his duties.

Mr. Speaker, what is the reason for this discrimination against Canadian workers? It is in effect everywhere.

If I have a business, and I change my furniture, I deduct the cost on my income tax return. If I use my car I deduct travel expenses from my income because I use my car for going to work, for travelling all around my constituency. But a factory worker does not have the right to do this. Why not?

The same thing used to happen when Their Royal Highnesses the Progressive Conservatives were in power, with the largest majority that the government has ever had in the House. The workers were treated in just the same way. Today, we hear them weeping on the workers' shoulders. Now they say the workers are being mistreated! Yet when the Progressive Conservative party was in office, they treated workers exactly in the same way. They are what I call "hypocrits in furs". There is no other way of designating them. They are guys who are ready to do anything when they are in the opposition, but once in office they prove to be inefficient, helpless, numbers, they are of no use.

Mr. Speaker, the Income Tax Act should apply in the same way to the whole society, and basic exemptions should be improved so that ordinary workers, low wage earners, white collars, in short everybody would benefit from them. We must not always relieve the rich and ask the poor to pay more.

Mr. Speaker, this year, for instance, Statistics Canada forecasts that our national product thanks to the work of all workers, farmers, etc., will reach $102 billion. However, the national annual income of the Canadian people—including Members of Parliament—amounts to $70 billion.

Mr. Speaker, how can we possibly buy $102 billion worth of products with an income of $70 billion? As I have said quite often, instead of fiddling about under the income tax legislation with some $70 billion which are not enough to enable our production to reach consumers, why does the government not go and get new credits at the Bank of Canada in order to relieve taxpayers from taxes they are now paying?

Could the worker who pays $500 or $600 a year in taxes not use these $500 or $600? Let us ask them. They could certainly spend them. If they were able to do so, they would spur production and create jobs. We would fight against unemployment and inflation at the same time; this would not increase prices, since it is included in those $70 billion.

Mr. Speaker, the government is not thinking about that because economists fail to draw that consideration to its attention, and as it relies on economists, on shady tax speculators as I call them, on people who base the economy on taxation, on lunatics, on guys lost in the fog, the government is idle.

• (1430)

They are waiting for the economists. It is quite strange to hear them! A liberal economist will say to the Liberals; "This is how taxes should be levied." The Progressive Conservative economist who has attended the same university says: "That economist is wrong. As a Progressive Conservative, I have a better solution; instead of taxing A let us tax B". The Neo-Democrat intervenes: "Let us tax both. We will dispossess them as much as possible and give that money to the government". He is wiser than the economists or the political parties. He knows how to bring everybody to their senses. Down with free enterprise and long live state socialism!

Mr. Speaker, there is a limit to such deception. This is still being done today. Indeed, as long as Canada has existed, they have been meddling in the same mess and the same system to try to distribute scarcity when there is an abundance of products everywhere. But why do we not adjust our financial system to Canada's production, to the result of society's work? Production is the result of the work of labour, farmers, white collars, lawyers, professionals, in short, of all the people. But no! They try to equate all people with the total annual income, which economists do not want to disturb, because they would have to proceed with a monetary reform.

Mr. Speaker, they don't laugh at Social Credit as much as they used to but still, in certain circles, through ignorance, ill will, bad faith or simply because they do not think of it, some people still find that funny. They figure that the system is perfectly logical until these people feel somewhat cornered. When they do, they change their minds and say that something ought to be changed. In order to do so, they say: Let us take $10 from Peter's pocket and put it in Paul's, less the cost of bureaucracy. Then, they distribute less than what they have collected. After that, they wonder why there is a lack of purchasing power among the people.

They are all shouting: Spend more, spend more. Go and tell the fellow who has $50 to spend $150. Can he? Spend more, they say, but with no more than you have. That is impossible. And that is what economists are suggesting here in Canada. They say: Spend more. Where is the money to come from? I don't know, they say, but spend more just the same. That is clever.

Mr. Speaker, we propose a solution. As for income tax, we don't say "Abolish it immediately but: Begin at the beginning. All incomes under $5,000 for married persons should be free from tax and there should be an exemption of $500 per child, and of $2,500 for single persons. Now, the bill before us provides for a basic exemption of $2,850 for married persons and $1,500 for single persons. Just imagine! A single person will be saving about 12 or 13 cents a year. Big deal! A married, childless person will save what? Twenty-five cents. Then, the government will say: See how generous we have been to the Canadian workers!

I see the Minister of Finance (Mr. Turner) is smiling, but he knows full well I am right. He introduces his Bill C-170 of which I heard someone say: The transfer, at death, of farm lands to a child requires capital gains declaration. That means that if a farmer owns a beautiful farm, he may not bequeath it to his child before his death without paying a tax. Upon his death, he may bequeath it to his son without having to pay taxes. One hon. member said this morning, I do not remember which one: Take a farmer of 92 years of age. He dies. His son of 74 inherits the farm. The grandson of 50 or 52 farms the land because his father of 74 is no longer able to do so. Still, the latter inherited the farm without having to pay tax while his son has to do so. Then the government figures it has helped out agriculture.

Mr. Speaker, what a shame to laugh at people like that!

But why, when everybody in Canada is claiming that agriculture is going bankrupt, why is nothing done to make it possible for a father to hand his land over to his son when the latter is 20, 22, 25 years old? Why do people now leave the family farm in order to go and live in the city? It is because the land is no longer providing farmers with a livelihood. People are compelled to go to work in the city to keep their farms going. Despite that, the government keeps on levying taxes as soon as the father hands over his farm to his son. Now we are told that after the father's death, the property can be transfered without any taxes having to be paid.

Mr. Speaker, this is not a solution. A few days ago I heard some Acadians from New Brunswick say that it will be fashionable within a few years to go back to the farm. In fact, it is now realized that life on the farm is much more natural than life in the chicken coops of Montreal, Hull, Ottawa or Quebec City. It is quite natural: That is not the point provided they have the right to live. There is no return to farming as at the time of the Vautrin program in 1935. Settlers were "carried up" to Abitibi in "ox carts". Mr. Speaker, this is not a return to farming. It is a return to the ox. This is not where they should go but back to farming.

To meet this objective, we should have a global policy which would enable farmers to live on the land. Would not a farmer's son live more happily there than in the Noranda mine, 8,000 or 10,000 feet under ground, where he will surely lose his health within 15 or 20 years whereas by farming and raising some livestock and by gardening he

could live and raise a family. You cannot do that in the Montreal streets where the air is polluted by carbon monoxide from cars.

I submit that our provincial governments, with the assistance of the federal government, of the municipalities and of public bodies, should establish a program to spend money as it is done in the big cities to facilitate their return to the land for those interested in doing so. I am confident that these chicken coops will be emptied, that we will resettle the land particularly in Quebec which I am most concerned about.

We shall have helped humanity in connection with social, economic and political problems in so far as people will think of Social Credit.

Mr. Isabelle: You are doing a commercial!

Mr. Caouette (Témiscamingue): I am doing a commercial to keep the hon. member for "dull" and not for Hull interested; the "H" should be removed.

Here is the proof, Mr. Speaker: The Minister of Finance was applauding me. I was right to mention the hon. member for "dull".

Joking aside, the Minister of Finance should think seriously of amending this provision of the bill, so that the farmer can transfer his property when he is alive. It is not after death that one must have the opportunity to live, but when one is alive. We should allow the farmer to transfer his property to his son, if he is interested in farming. In this case, let the 25 or 30-year old son become the owner of his father's property without being forced to pay taxes.

The minister realizes this very well. About 90 per cent of our farmers are on provincial or federal farm loan plans. If this has mortgaged their estate, why should we tell them: If you transfer your mortgage to your son it will be considered as income and you will have to pay taxes even on the transfer of your farm.

Mr. Speaker, it is not logical, It is not a way to help farmers or to encourage the young man to carry on his father's agricultural work. No, it is not. We discourage young people when we say: go away, go to town, go to Sarnia, Sudbury, Montreal, or Toronto, leave the land!

After that, what do we see? Smart Americans come to Canada and buy farms by tens, hundreds and thousands; they try to get hold of lands bordering lakes or near urban centers. They will then be divided up and sold back to our fellow citizens at very high prices, while action should be taken immediately, not to send the Americans back home like the Iroquois and the Hurons in 1604, but to help our citizens to own something.

I believe the minister should consider amending that clause to allow present landowners to transfer their property to their children without having to pay any income tax. The various working classes of society should be granted exemptions of up to $5,000 for married couples and of up to $2,500 for single persons; $500 could be granted for each child. The Minister of Finance could then stand proudly and say: At last, I have applied part of the Creditistes' wonderful program!

[Mr. Caouette (Témiscamingue).]

• (1440)

[*English*]

Mr. Frank Howard (Skeena): Mr. Speaker, it is always a delight to answer the hon. member for Temiscamingue (Mr. Caouette), and particularly today to follow him because our views, only on this matter, coincide. I have a concern about the manner in which personal income taxes have their impact upon people living in urban areas vis-à-vis those living in rural or northern areas. This concern is a bit larger than the concern I have over the impact of these taxes upon the family farm and the transmission of the farm through the generations. None the less, it is still a concern over the impact of tax law as it applies to individuals living in those two types of settings, urban and rural. It has long been recognized in Canada that, because of the fact the population is concentrated within a few miles northward from the U.S.-Canada border, we have always had higher costs the farther north you go from that border and the farther you go from the urbanized centres.

There was reference earlier today about the effect of a 7 per cent freight rate increase to a shipping company, Northland Shipping, in my own province, the result of which is to place the cost of food, for instance in the Queen Charlotte Islands, somewhere in the neighbourhood of 20 per cent higher than it is in the lower mainland area of the province. There is the situation in the mid-north area of the province, all through the area of Prince George and Vanderhoof, where food and living costs run anywhere up to 15 per cent higher than they are 500 miles to the south.

We also have the fact that all across Canada the facilities and services available to society are fewer in the rural and lesser populated areas than they are in the urban centres. Invariably, or almost universally across the land, if you have an extreme or rare ailment, or even moderately rare ailment, you do not get the medical attention that is necessary in your home town if it is a smaller sized community. You have to travel to the larger centre to get that. In Manitoba, the movement of people has to be towards Winnipeg, Brandon and Portage—that part of the province—in order to get the special medical attention that may be necessary. In British Columbia, it is to Vancouver or to Victoria on Vancouver Island. I do not know Ontario that well, but I am quite sure that people in Northern Ontario do not have medical facilities available to them to the extent that they are available to people in the Toronto-Hamilton area.

Recognition was given to this problem in the budget speech which the Minister of Finance (Mr. Turner) made on May 8 last. In order to put it on the record, just in case by some extreme circumstance someone may read what I am saying at some later date, I will read what the minister had to say on May 8 last year in respect to that particular matter of medical expenses.

Mr. Turner (Ottawa-Carleton): It is already on the record.

Mr. Howard: I am sure it is on the record, but it is not on the record in the way I want to put it. It is not in the context of an analysis; it is only in the context of a

presentation, a presentation that has a failure in it that I want to draw to the minister's attention. The minister said, as recorded at page 2005 of *Hansard* for May 8, 1972:

—I propose to include as a deductible medical expense amounts paid to commercial transport services for transportation of a taxpayer or his spouse, or dependant, and an attendant if necessary, to and from a hospital, clinic or doctor's office to which the individual has travelled a distance in excess of 25 miles to obtain medical services not otherwise available nearer home.

I am not sure whether "in excess of 25 miles" is the round trip, or the one-way distance about which the minister is talking. In other words, if a person is living 13 miles away from where he has to get medical attention, would his going and coming constitute 25 miles or not? The minister shakes his head, so I think it is 25 miles one way.

The minister also talked about paying amounts to "commercial transport services." I think that is a bit too narrow. Let me give a case in point from my own knowledge of the area. In central British Columbia, along the coastal area, there are three communities of relatively equal size, Prince Rupert, Terrace and Kitimat. An attempt is being made to place specialized medical services of a particular nature in all of those communities, with each type different from the other one, so that there will be access to a variety of medical services in the area. Kitimat and Terrace are 38 miles from one another. If a person in the community of Terrace has to travel 38 miles to the hospital at Kitimat, one way, to get specialized medical attention, he would be unable to take advantage of this provision mentioned by the minister because there is no commercial transport available between those two communities. He would have to take a car. If the bill reflects that narrow a concept of commercial transport this is something that I would like the committee to look at, and I will probably expand on it at that stage. I am sure this situation is duplicated in many parts of Canada.

If the principle is recognized that people in smaller communities have to travel some distance in order to get medical attention not available to them in the smaller communities, then this provision should be available to all without confinement, whether or not there is commercial transport available to them. I understand it is government policy, or a least government thinking, to curtail urban growth and concentration of population, facilities and services in metropolitan or urban areas, in order to decentralize these facilities.

• (1450)

I submit that what our tax law is doing as long as it is maintained on the basis that a person is liable to the same percentage of taxation, depending on what income class he falls into, is making him liable to pay the same amount of tax regardless of where he lives or works in this country. In effect, this policy subsidizes urban living and the facilities that exist there at the expense of the facilities that might be available in rural areas. The tax each individual pays, is, in effect, assisting to attract people to the urban areas where the educational facilities are more specialized and varied, the medical services are more specialized, arts, drama and the theatre may be more specialized and more available than in the smaller areas. If you want to hear a good jazz band in Saskatchewan, you cannot hear it in La Loche or Buffalo Narrows; you to go to Saskatoon and even there you have to go to the university. In British Columbia, the only place you can go to the opera is in Vancouver. I cannot, at times, understand why people would want to go to Vancouver but they do. Nevertheless, this tends to attract people to the urban areas, especially for such purposes as medical attention or the larger number of facilities and services that are available there.

I think we have to recognize that it costs more to live in northern areas than in the urban areas. We have to recognize the fact and reflect it in a discriminatory way in our tax structure, that there are more facilities and services available in urban areas than in northern or rural areas. We also have to compensate for that by providing the person who lives in the northern or rural area with a special tax consideration. In other words, he should pay less income tax than his counterpart in the city.

I think this was recognized in the speech that the minister made on May 8—and he nods his head. He recognized that problem in so far as travelling for medical purposes is concerned. He should also recognize it in terms of the cost of living in northern areas. The government recognizes it in some mid-northern communities in British Columbia by providing a special living allowance to its own employees. The people who do not have the advantage of working for the federal government are left on their own in those areas.

I am not asking the government to say that every employer in every area where the government, by its own edict, has recognized that people have higher and special costs should give a bonus to compensate for that. I do not think that would be possible and it would not take into account collective bargaining and that sort of thing, but surely the government could recognize the advisability of a lower tax rate in those areas. There could be a higher exemption or something of that nature which would say to the employee who lives in a rural or northern area that he does not have to pay as much income tax as his brother in the urban setting because he does not have the same facilities and his costs are higher. This would be a way of recognizing his difficulties. It would be a bonus for living in that part of the country where facilities are not available.

A couple of years ago the Minister of Indian Affairs and Northern Development (Mr. Chrétien) went to New Zealand and Australia to look at the treatment of native people by those governments. He discovered that the Australian government had recognized the thing I am talking about by providing a lower tax rate for people who live in the Northern Territory. Australia is a fine counterpart for Canada. The cost of living is higher in the Northern Territory of Australia and the facilities are fewer. The government recognized this many years ago and said that those people who live and work in the Northern Territory would pay less tax than was demanded of people living in Canberra or other urban areas in the country. That is what I suggest we should do here.

This problem was brought to the attention of the minister while he was in Australia and he sat in on a meeting when the Northern Territory Legislative Council discussed the question of the special tax rate with federal

government officials from Canberra. I do not know what his impression was, but he gave me to understand that he agreed it was a good idea. It is in my view, in any event. I think such a concession would have to be tied to the length of stay in the area. I do not think a person who lives in Vancouver and takes a job in the Yukon Territory or at Farrell Creek, say, for one week, then comes back to Vancouver should be eligible for the special tax rate. It could be tied to residence of half a year or some period that would make that person a bona fide resident of that area for the taxation year.

The minister is proposing that the tax rate for corporations in the manufacturing and processing industries be reduced to 40 per cent—at least that is what he was proposing last May; I do not know whether he is still proposing it.

Mr. Turner (Ottawa-Carleton): I am counting on your support on that.

Mr. Howard: I did not hear what the minister said.

An hon. Member: He is counting on your support.

Mr. Douglas: He is leaning on a broken reed.

Mr. Howard: I will tell the minister what I will do, Mr. Speaker, and I have learned how to say this from listening to cabinet ministers. Normally, I would not put it this way. If the minister will commit himself now to come into this House within the next couple of weeks—after Easter, even—with a bill which will recognize the need to have a lower tax rate for people living in northern areas, then I will commit myself to him that I will look at his proposal as to the 40 per cent.

Mr. Turner (Ottawa-Carleton): What a deal!

Mr. Howard: I will consider it.

Mr. Turner (Ottawa-Carleton): You will have to do better than that.

Mr. Howard: The minister laughs; he knows exactly what I mean because he uses that approach himself so often.

I do not want to be diverted too much from my original theme about the burden placed upon people in northern and rural areas through taxation. I want to relate that to the proposal for reducing corporation taxes to 40 per cent in the manufacturing and processing industries only. If the minister contends that the proposed reduction to 40 per cent for manufacturing industries is valid, and I do not think it is, then he is saying that he wants to give a special advantage to the urban areas again because that is where the predominant manufacturing and processing industries are. He shakes his head, but that is where they are.

Mr. Turner (Ottawa-Carleton): Look at the processing. I want to process these primary resources up in the north.

Mr. Howard: We know all about that. I will take the minister's word that he wants to do this in the northern areas. But if the principle is valid for corporations, and I do not think it is, then surely he would agree that it is valid to apply the same principle to human beings. Surely, he would apply it to people and agree to reduce their tax rate in those northern areas as well rather than just the tax rate of the so-called processing industry. We are not just talking about so-called manufacturing industries.

• (1500)

Mr. Turner (Ottawa-Carleton): The provision of jobs is what this is all about.

Mr. Howard: The minister talks about jobs. That is what he said on May 8 last year. His first words on that occasion were that the provision of jobs was his first priority. But he has yet to show me how fast write-offs for machinery can provide jobs. The more machines you employ, the fewer people you employ.

Mr. Turner (Ottawa-Carleton): In these days we are not introducing the cotton-gin.

Mr. Howard: The minister suggests that is not so. Obviously, he has information about the activities of the federal government. Computers were installed. They were to replace people. But now the government is employing more people than ever and is using the computers as well. This is the result of incompetence on the part of ministers; it is not the fault of the system itself.

What I am trying to get across, through you, Mr. Speaker, to the minister is that the tax rate applicable to the person who works at Keno Hill in the Yukon, or in the Queen Charlotte Islands in my riding, is exactly the same as that of the person who works in Ottawa, Montreal or Toronto. I say that such a tax system is inequitable because under it the advantage always goes to the person who lives in the larger centres close to existing facilities. It discriminates against the person who has children of university age and who may, therefore, have to move his family from The Pas, Flin Flon or the northern reaches of this nation to Vancouver, Toronto, Winnipeg or somewhere else where there are universities.

The system is discriminatory because from an aesthetic point of view the person concerned may prefer to live in the north where he has a good job with prospects of security and advancement. I know of such cases. A person may have to leave the community where these benefits are available to him, and live in a chicken coop in the city—the hon. member for Témiscamingue (Mr. Caouette) spoke about this—merely because the facilities are to be found in the city. We have argued the other way and said that facilities should be available in the northern areas. But they are not there now.

The only way to compensate for this situation is to introduce an equitable tax structure which recognizes that living costs for persons in rural areas or in the northern reaches of this land are higher than those of persons living in urban centres. This business of those who live in the north—although I do not live in the north, I do live in the mid-north of British Columbia—having to subsidize Canadians who live in other areas should cease and desist. The minister may not have a chance to bring in another budget, so he had better do this right now before he leaves his portfolio. Let him do it quickly. Why wait for spring, John; do it now!

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I feel it would be wise if parliament were to consider what Benson and Turner budgets have actually done for Canada in past years. It is important for us to realize that on a national accounts basis, every deficit or surplus that has been predicted to date by Mr. Benson or by the Minister of Finance (Mr. Turner) has been overstated.

In the 1968-69 budget it was predicted that, on a national accounts basis, there would be a deficit, but that deficit was overstated by $400 million. In 1969-70 it was predicted that there would be a surplus, but we found that the surplus was understated, depending on the type of accounting you use, by between $5 million and $80 million. In 1970-71 a surplus was predicted, but we found that it was overstated to the extent of $490 million. Subsequently, in a second budget, the government predicted a deficit. As it turned out, this deficit was overstated to the extent of $220 million. In the 1971-72 budgetary provisions another deficit was predicted. We subsequently found that the amount was overstated by $250 million.

I am giving this background because I believe if one looks at the budgetary history of the present and the previous minister of finance you will see the sad spectacle of total ineptitude in their attempt to plan for Canada's economic needs. It should be borne in mind that not only has their budgetary planning been inept but it has resulted in an extremely heavy tax load for Canadians. I mean, of course, that if we look at the rise in personal income tax since 1963 and compare this with the projection for 1973, we will find that personal income tax has jumped from $1,700 million to a predicted $6,850 million this year. This compares with corporate income tax which has risen from the 1963 level of $1,182 million to the current level of $2,320 million.

Hon. members to my left often cite these figures as an indication that corporate income tax is not high enough, that there are undue write-offs or that somehow there have been concessions to corporations and these should be remedied. I suggest that undoubtedly in certain respects every tax system contains inequities which should be corrected. I believe the significant fact colleagues to my left are overlooking, and which the Minister of Finance has chosen to ignore, is that Canadian business profitability has gone down extremely sharply under the Trudeau government. That is why businesses are not paying the amount of corporate tax that one normally would expect them to be paying.

There is no mystery about this, I suggest. The Science Council of Canada, in an informative booklet entitled "Innovation in a Cold Climate" has effectively pointed out the complete lack of foresight shown by the Trudeau government. The government, in coming before this House and indicating that it should receive great credit for a suggested reduction from 49 per cent to 40 per cent in corporate tax with respect to manufacturing and processing industries, without making it clear to the House that it created the climate in which these industries have found it increasingly hard to make a profit, is presenting its case in a misleading way.

As was said by the speaker before me, there should be more reference to the fact that the present Minister of Finance, and his predecessor, in every budget speech paid great lip service to curing the problem of unemployment. The fact is that the area in which unemployment has risen at a faster rate and, conversely, in which employment has not kept up with predictions, is the manufacturing industry. As the Science Council said:

• (1510)

> Until recently, employment in manufacturing industry rose proportionately with the labour force. For most of the sixties, a constant 21 per cent of our labour force was employed in this sector. Most of our models for employment are based on the premise that this trend will continue, and that 20 per cent of the labour force will be employed in manufacturing in 1982.
>
> By mid-1971, however, manufacturing accounted for only 19 per cent of the labour force. This departure from projections began in 1967—

That was the year before the Trudeau government took office. The situation is illustrated graphically in this booklet. The Science Council also pointed out:

> By 1971, employment in manufacturing had fallen short of expectations by 120,000 jobs.

Those 120,000 jobs represented two-thirds of the total shortfall in employment projections which had been made. The Science Council also stated:

> These profits are stated in current dollars, the value of which decreases about 6 per cent each year. In terms of buying power, manufacturing has had progressively less to reinvest over the last six years, and now has fewer disposable funds than at any time since 1958.

We have witnessed a government which through lack of proper industrial strategy has allowed our manufacturing industry to get into a position where it cannot expand in accordance with expectations because it does not have the wherewithal, the profitability, to do so. The report concludes:

> The Science Council views with alarm the current deterioration of technology-based manufacturing industries in Canada. While we have avoided a recession in our over-all economy, something very much like a recession is now occurring in manufacturing. How temporary an effect this is we do not know; what is certain is that the condition will not improve automatically.

Hon. members will recall that in March, 1972, parliament passed a bill providing a 7 per cent reduction in corporate income tax to apply to the last half of 1971 and all of 1972. The bill giving effect to that proposal had first been announced the previous October. The 7 per cent reduction in tax applied to all corporations. For the year 1972 it meant that the general corporation tax would be at the rate of 46.5 per cent. That measure was passed, as I have stated, on March 22 and received royal assent a week later.

Forty days later, on May 8, the Minister of Finance presented his maiden budget to this House. That budget proposed a special reduced tax rate to apply to manufacturing and processing profits effective January 1, 1973. However—and I want to be sure that everyone in Canada understands this—the Minister of Finance neglected to mention in that budget speech that the general corporate tax rate was going to increase in 1973 over what it had been in 1972. I remind hon. members that in the same speech he also forgot to mention that personal income tax would increase on January 1, 1973.

In his May, 1972, budget the Minister of Finance put all the emphasis on the proposed special tax reduction for

the manufacturing and processing sectors. He did not point out that the implementation of this special reduction would still see the general corporate tax rate on all profits not directly associated with manufacturing and processing increased to the old level of 49 per cent from 46.5 per cent. I think this is unforgiveable misleading of parliament. There is no reason why a minister of finance who expects the confidence of this House, the public and, most important, the business community has to be so devious in his approach.

Now, almost a year later, the Minister of Finance is still up in the air with regard to his proposal for special tax rates on the profits of manufacturing and processing industries. There is still nothing being done about the general corporate tax rate in this country. Businesses other than those in the manufacturing and processing fields will be required to pay almost 6 per cent more this year than it paid last year. The tax rate on Canadian-owned private companies earning less than $50,000 will be increased by 7 per cent in 1973 compared with 1972. The minister's proposed special rate will bring this tax down in relation to manufacturing and processing profits, if he ever gets around to implementing that provision; but for all other business profits the rate of taxation will have increased from 1972 to 1973. I should add that in February of this year the Minister of Finance did correct the personal income tax situation by reinstating the lower rate effective January 1, 1973. He proposed a cut in relation to the 1972 personal tax rates, and if he ever gets up to date with his budget bills parliament will be asked to confirm them.

The February 19 budget speech made no mention of doing away with the general corporate tax rate increase to which I have referred. One can only presume that the government fully intends this increase to apply throughout 1973, and perhaps indefinitely. After reviewing the history of previous forecasts in Benson and Turner budgets one begins to wonder about this type of devious presentation of what they are in fact doing for business. How can we expect industry and business in this country to have the confidence they should have to ensure they will indeed produce the employment we will need in future years?

Not only with regard to the handling of tax measures should the government be criticized. As a Canadian, I have been deeply concerned about the great increase in business failure in the past few years. The most recent Dun and Bradstreet report shows that 2,848 Canadian businesses went bankrupt last year. That figure is the highest in recent history. It is unequalled since the depression of 1932, when there were 2,938 failures. The difference is only 3 per cent.

• (1520)

This intolerable situation was treated as a priority during the recent election campaign, during the course of which my leader and myself campaigned on the basis that there should be great assistance to smaller businesses in this country. The situation had become so desperate that action in two areas was forecast in the Speech from the Throne. The two items singled out—the only two items—were as follows: first, there was to be aid to small businesses through new initiatives to strengthen management and consulting services; and, second, the provision of improved access to financing facilities by way of improvements to the machinery of the Industrial Development Bank.

Despite the continuing gap between government policy and productivity, I was greatly encouraged by that statement in the Speech from the Throne, believing that this promise of reform would at long last materialize in the budget. My faith was reaffirmed by the opening remarks in the budget speech of the Minister of Finance on February 19, as follows:

> This budget is aimed at the faster growth of our economy and the strengthening of its basic structure.

When the budget presentation ended without evidence of any satisfactory attempt to fulfil its promises, any faith I had in the government's credibility collapsed. The chicken had laid an egg—and it was not a golden egg. The net result of a myriad carefully worded Liberal promises, then, is clause 60 of Bill C-170. This clause would implement paragraph 55 of the income tax resolution, which reads as follows:

> That for the year 1972 and subsequent taxation years, the tax in respect of ineligible investments under part V of the said act shall be repealed.

This tidbit of proposed legislation might be equated with the tip of the proverbial iceberg. Speaking on behalf of all Canadians who were led to expect comprehensive legislation designed to guide us back to a firm economic footing, I can only say it is unfortunate that the greater part of this anticipated legislation remains submerged. In short, the Minister of Finance has put small business back to square one. The legislation before us seeks the repeal of a negative measure, and introduces no positive ones, in what is apparently yet another ad hoc approach of the kind so often adopted by the Trudeau government in the last five years.

The Minister of Finance is quite correct when he names unemployment and inflation as Canada's two main problems, but I suggest he is totally incapable of coming up with a solution to either problem.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I intend to deal with several subjects this afternoon. However, before I do I should like to comment on the contribution of the hon. member for Skeena (Mr. Howard) with regard to the special difficulties of those who live in the north. His remarks were well made. I am sure the government is aware of the need for special consideration for those who face the exceptionally high cost of living in the northern regions. We have recognized that this special situation exists by providing increased expense allowances for members of parliament who represent northern constituencies. We realize it is far more costly to travel to these locations, and travel within northern regions is also costly. Then, again, the cost of food is sharply increased by the necessity of bringing in by air so many supplies. This is on top of the present price levels with which all Canadians are becoming familiar.

The Minister of Finance (Mr. Turner) had a wonderful opportunity in the budget to deal with the economic difficulties of Canada. He might have done something, for example, to reduce the cost of housing, which is vexing so

many Canadians. But he completely failed to do so. Consider the effect of the sales tax on building materials which go into a home. This is an expense which in practice is financed over a long period of time, and over the years it amounts to a great deal of money. The added cost is, in my view, a continuing inflationary factor. The government should have removed this tax, obtaining revenue from some other source if that was their preoccupation. The minister should have faced this issue squarely.

Again, the government should have addressed itself to solving some of the difficulties which beset agriculture. These can be measure by the average income of our farmers, which last year was in the neighbourhood of $5,200. The average salary of civil servants was around $8,100. Of course, we must bear in mind there are many people earning below the average income. Another measure of the difficulty facing agriculture is the fact that farmers have been leaving the land continuously for 25 years; since the last war, in fact. In the last five years we have been losing seven farmers every hour, day in and day out. This is the problem which results when farmers are disrupted and move from their surroundings. This situation adds fuel to the fire of inflation and the cost of housing in urban centres.

• (1530)

When considering these difficulties caused by disruption, one might expect the government to move in an effort to resolve the problem, perhaps by creating incentives to keep as many people as possible working the land. One must realize that every additional tax imposes an extra burden. When it comes to the question of capital gains tax, surely there should be an exception in respect of farms passed on from one generation to another. Surely we do not resolve these problems by imposing additional taxes.

We in the opposition have argued very strenuously against the imposition of additional taxes, particularly the imposition of capital gains tax. This government has ignored our arguments. However, since the last election it has realized it should do something about taxation. Rather than doing something constructive, the government has done a lot of window-dressing. It has given the public the impression that capital gains tax is being removed in respect of farms passing from father to son. Let me quote as follows from the highlights of the budget of Monday, February 19, 1973:

> Family farms permitted to pass from generation to generation free of capital gains tax.

Can one blame the average farmer for believing that this is true, that there is no capital gains tax on a farm passed on from one generation to another? Let us look at the actual situation, which has been adequately stated in the House. One of the best speeches in this regard was made yesterday by the hon. member for Perth-Wilmot (Mr. Jarvis). He covered the subject thoroughly.

In view of the various interpretations of this legislation by accountants and lawyers within the department, we can well understand that there are complications in addition to those we all know. I suggest that a farmer will never see his land passed on to his son or daughter, as the case may be, because he must die before he can do so without the imposition of taxation. What I am concerned about is the statement contained in the budget to the effect that the deferral will apply only if the land is being used for farming by the taxpayer or his children at the time of the taxpayer's death and if the land is left to a child who is residing in Canada. The point is that the land must be used by the taxpayer or his children at that particular time.

If you read page 6 of the notices of ways and means motions you will find this wording:

> That where land in Canada owned by a taxpayer who died after 1971 was used in the business of farming by him, his spouse or any of his children immediately before the taxpayer's death, and upon his death is transferred or distributed to his child who was a resident of Canada immediately before the taxpayer's death, the taxpayer shall be deemed to have disposed of the land for proceeds of disposition equal to the adjusted cost base of the land immediately before his death and the child shall be deemed to have acquired the land for the same amount.

This implies there is no capital gains tax, but the fact is that many children are too old to farm and rent out the land. On many occasions farmers will rent the land as a means of supplementing a pension or other income; someone else may be doing the actual farming. That type of transfer will not be regarded as eligible for tax exemption. I do not believe the minister really wanted to deal with this matter fairly and squarely, but wanted to leave the impression that the problem was solved. At the same time, he wanted to make sure that almost everyone did not qualify for the exemption.

There are many instances where a farmer is living and would like to transfer the land to his son for the purpose of farming but the son is not able, for a number of reasons, to comply with the father's wish. The son may have children who do not wish to farm. He may be one of a number of sons, some of whom passed away before the father. This leaves the family in an awkward position. Also, the farmer's son may be too young to go into the business of farming, so the capital gains tax will be applicable. This is disadvantageous to the family farm operation.

We have heard a great deal in the last few days about the increasing cost of food. We must realize that every time taxes are imposed upon primary producers, the cost is passed on to the consumer. I remember buying a tractor 25 years ago for $2,500 and a combine for about the same price. Today, this equipment costs in the neighbourhood of $15,000. This all adds to the cost to the consumer. There is only one way the farmer can recover the increased cost of machinery, and that is by charging the consumer a higher price for his product.

We have heard about incentives. This is an area in which I disagree with the hon. member for Skeena. Surely we should be considering the opportunity for the government to do something for our farmers. Steps should be taken to reduce their over-all costs and thereby reduce the cost of food to the consumer.

I want to speak about one other aspect, that is, the method of valuation. I have directed several questions in this regard to the Minister of National Revenue (Mr. Stanbury). Similar questions were asked today. It has been suggested that valuation today would not be applicable at a future time. The minister said that you do not have to pay tax on the basis of valuation today. I suggest that as a

result of evaluation of a farm property today, the tax will be fixed for the future, with no appeal. The result will be that ten years from now, after the death of the farmer the inheriting son will not be in a position to argue successfully with the department. It is difficult at best to argue with the department. How can someone argue ten years from now?

• (1540)

When the department sets up its documentation, it will sit in judgment; it will be prosecutor and judge at the same time. That is not fair. I do not think it is proper for the minister to suggest that his staff is not large enough. He suggested this would be too complicated a matter to handle. He wrote me a letter a few days ago saying he could not do what had been requested because it would perhaps mean entering businesses, and so on. This should not be a one-sided affair; it should not be stacked against the taxpayer. Surely, with all its resources, the department should not bank itself up on all sides and then try to prove we are wrong. They will not allow us to see the documents, yet they will be using the information they are preparing today. I think this is wrong. I do not think the department should follow through with the stupid capital gains tax. I do not think this country is rich enough to support it. It may be all right in respect of speculation. But this is not speculation; it is an opportunity to make a living. I think all anyone expects is such an opportunity without being saddled with this tax.

There should be a reappraisal of the tax itself. I think it should be removed. But if this Liberal government insists on retaining it, it should at least provide an opportunity for the individual to defend himself. There should be provision for a turnover from father to son while the father is still living. My grandfather died two years ago, and my father 25 years ago. There is no incentive for anyone to stay on the land. One would have to be stupid to think he would eventually become the owner. I know of many cases where the son has died before the father. As I have already pointed out, the whole tax situation will not provide an incentive for anyone to stay on the land: it only complicates the matter.

There are several other areas I would like to discuss but I shall mention only one other. That is the whole question of valuations. There should be a valuation on quotas as of V-day, as it is commonly known. That valuation should be in the same form as it was in 1971. If someone applied for a permit, and had no cost other than perhaps postage stamps or phone calls, and so on, it is not fair in respect of valuation day to expect another form to be required for purposes of the quota when it comes to dairy cattle, beef cattle, and so on. Sooner or later the government will have to change this situation. Why not do it now? Why saddle a few people with this burden when next year or several years later the government will have to come to its senses. These are some of the areas of grave concern which stand out very plainly.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I welcome the opportunity to say a few words on Bill C-170 to amend the Income Tax Act. I should like to make a few comments to the bill and on the government's taxation policy in general.

[Mr. Korchinski.]

Bill C-170 contains 140 pages of material on tax amendments. Many of them are very complicated. Some of the highlights are that it will increase the tax exemption of people 65 years of age and over from $650 to $1,000; there will be a $50 deduction per month for students in full-time attendance at secondary educational institutions; there will be some medical expenses deducted for full-time nurse or attendant care for the taxpayer, the spouse or dependant in the home. There are some changes in respect of retirement savings plan. There is also a provision in respect of the transfer of a farm to the children of a farmer on his death: this will be free of capital gains tax. There are measures in respect of small businesses, to encourage them. Such encouragement is needed in this country. There is the repeal of the ineligible investment test.

These are some examples of what is contained in the bill. In most cases these are good measures. However, I think we must examine the whole issue of taxation in this country. When we do that we must look at the relationship between corporate and individual taxes. When we look at the first seven years of budgets of the Trudeau government, we find that since 1968 individual taxes in this country have gone up by $1.5 billion whereas corporation taxes have gone down by $500 million.

It is very interesting to compare the percentage of government revenue in 1951 with the percentage of government revenue today in respect of what comes from corporations and what comes from individuals. In 1951, 29 per cent of government revenue came from corporations, and 27 per cent came from individuals. So one can see there was a fairly close relationship; each group was bearing its burden rather equally. However, in 1973, especially if the corporate tax cuts go through, only 12 per cent of government revenue will come from corporations whereas 50 per cent will come from the individuals.

When we look at the loopholes in our present system, we realize that in 1969, the last year for which we have figures available, 46 per cent of the corporations in Canada paid no federal income tax. If we made revisions and plugged some of the loopholes in respect of giveaways to corporations, we would have somewhere around $2 billion more in government revenue, which would mean we could begin to give a break to the taxpayer so that he would have more money to buy more goods and help increase the job situation in this country.

The individual pays more tax. I should like to give an example. It is true that personal income today is 26 per cent more than it was in 1969, but it is important to remember that taxes have increased by 42 per cent in the same period. An average family of four in 1969 had $9,700 after taxes and inflation are taken into account. Today, the same sized family has $10,400, or an increase of only $700. That certainly is not as impressive as the 26 per cent would indicate. Who are the victims of Canada's tax policy? When we look at the whole issue, we see that the Carter commission in 1968 undertook a thorough investigation of Canada's tax system and declared that there were many glaring inequities. The commission recommended that the whole tax system be based on the principle that a buck is a buck no matter how it is earned, whether through wages, interest, income, and so on, and

we should therefore base the tax system on that principle. If you have deductions because of expense accounts, and so on, they should be calculated as income.

• (1550)

There are still many disparities and inequities in our tax system. For example, we know that salesmen are given a tax allowance for using their cars for business purposes. I know of supervisors at the steel plant in my riding who have to use their own cars; they travel up to 10 miles a day throughout the environs of the steel plant in order to carry out their work, but they are not given tax deductions for their use of the car, as salesmen are. There are many inequities along these lines. What happened to the recommendation of the Carter commission that the whole system be overhauled? We all know that, unfortunately, the former minister of finance, Mr. Benson, caved in to pressure, mainly from large business groups, and his so-called white paper was not carried out.

Today personal exemptions have been raised from $1,000 which was based on the 1949 cost of living. Now the taxpayer gets a $1,500 exemption for an individual, and the basic $2,000 for a married person is raised to $2,850. But here again we see an inequity. If we kept up with the cost of living, the basic exemption for an individual should not be $1,500 but $1,640; likewise, the exemption for a married couple should now be $3,280 and not $2,850. I hope the minister will look at this problem and agree that the cost of living should be included in the calculation.

Another example is a family with two children and an income of $5,000. They pay tax of $73. Under the reform, that is a saving of $137. But take the same family with two children and an income of $50,000 a year. Their taxes are $20,675, or a saving of $347. In other words, the richer you are, the more you are saving under the current tax system.

People in my riding have written to me about discrepancies. One man asked: "If people whose wives work can deduct for child care, why should he not be able to deduct for his wife taking care of his children?" That is an interesting question to which perhaps the minister could address himself at some time. There is another point. When the baby bonus, or family allowance is cut off, should an individual not be able to deduct a higher amount than the basic $300 per child? Could that not be compensated in the deduction after the allowance is cut off?

There are other examples. The hon. member for Skeena (Mr. Howard) spoke about the cost of living in northern communities. I come from northern Ontario where the cost of living is very high. Could consideration not be given to a cost of living deduction in income tax to reduce the burden of people living in the north? When we look at our whole tax system we find there are many inequities.

The Economic Council of Canada has concluded that the general burden of taxation falls unfairly on low income people despite the so-called tax reform that we have heard about. The low income people have to pay, apart from the federal tax, of course, provincial sales tax which hits everybody equally no matter what their income. And, of course, there are provincial property taxes as well. The middle-class people who do not receive some of the allowances and benefits of the low income people also have to bear the burden of the tax system in this country. What we would like is a really progressive tax structure where those who are wealthy or very wealthy and are making more money should pay more tax.

There are many loopholes in this system. For example, in 1969, the last year for which I have had a survey carried out, we find that of the people earning $600,000 a year there was one person who did not pay any income tax at all because of deductions; and of the people earning $25,000 to $50,000 a year, 98 were able to escape federal income tax.

What I am asking for is not just one, two or three special corrections. I want a complete re-examination of our tax system to give more help to the lower income people and to establish a really progressive structure so that the middle-class is not bearing the whole burden, and under which the wealthy would pay their rightful share.

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

Some hon. Members: Agreed.

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

The Assistant Deputy Chairman: Order. House in committee of the whole on Bill C-170, to amend the statute law relating to income tax.

Mr. Lambert (Edmonton West): Four o'clock, Mr. Chairman.

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

Progress reported.

Mr. Baldwin: Mr. Speaker, in the minute that is remaining could I ask the Minister of Finance if, in the event that the time on Monday is not pre-empted by any other motion, we will be proceeding with this bill in committee of the whole?

Mr. Turner (Ottawa-Carleton): That is my understanding, Mr. Speaker.

[*Translation*]

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

Public Accounts Committee

[*English*]

PRIVATE MEMBERS' PUBLIC BILLS

FINANCIAL ADMINISTRATION ACT (PUBLIC ACCOUNTS)

MEASURE TO REGULARIZE CONSTITUTION AND PROCEEDINGS OF PUBLIC ACCOUNTS COMMITTEE

Mr. A. D. Hales (Wellington) moved that Bill C-19, to amend the Financial Administration Act (Public Accounts), be read the second time and referred to the Standing Committee on Public Accounts.

He said: Mr. Speaker, before proceeding with my bill I would like to say a few words in connection with the value of the private members' hour which we have two or three times a week. It is a time allotted by parliament for a very useful purpose. I am sorry to say that it is not always well attended by hon. members. However, it does afford members an excellent opportunity to put forward ideas and suggestions. I well remember as a backbencher how it provided a great opportunity to get the feel of the House. Many important measures have been passed by the House during private members' hour. For instance, the name Trans-Canada Air Lines was changed to Air Canada as the result of a private member's bill.

• (1600)

I remember speaking during private members' hour several years ago when bilingual cheques were introduced as the result of a private member's motion. I also had the privilege of putting forward a private member's resolution which brought about the parliamentary internship program which is now in its third year and has proven very satisfactory around Parliament Hill.

This bill on which I am about to speak deals with the public accounts committee. It is proposed as a reform measure to regularize the constitution and proceedings of that most important of committees, the public accounts committee. When speaking to this bill I would like to emphasize two very important principles. First, the executive should have no income which is not granted to it or otherwise sanctioned by parliament. Second, the executive should have no expenditures except those approved by parliament, in wages approved by parliament. The observation of these principles would be impossible were it not for the existence of a variety of rules, customs, devices and institutions. One of these institutions is the Standing Committee on Public Accounts, which is parliament's own auditing committee, responsible for scrutinizing the use or misuse of public funds.

Today, as the size and complexity of the federal government increase, the task of this committee grows more crucial if the principles of responsible government are to be safeguarded. By a year from now, March 31, 1974, the federal government, with more than 284,000 employees, will pay out roughly $10 billion for goods and services, and $6.5 billion in grants and contributions, along with supplementary estimates that are likely to come forward. This will mean a total expenditure of approximately $20 billion. It is the role of parliament, and of the public accounts committee in particular, to ensure that these sums of money authorized by parliament annually are being utilized in the ways parliament intended.

[The Acting Speaker (Mr. Boulanger).]

Let us look at some of the weaknesses in the parliamentary control of public funds. In Canada, the different stages in the administrative process of public expenditures are laid down in the Financial Administration Act. Among other things, the act ensures the public accounts and the report of the Auditor General are laid before parliament each year. This is all set out by statute. What parliament does with the public accounts and the Auditor General's report is not laid down by any statute and depends entirely on custom and the business priorities of the government. This has resulted in a weakening of parliament's control over public funds and in the increasing and unchallenged power of the executive. Furthermore, it has seriously reduced the effectiveness and efficiency of the public accounts committee.

The Canadian system of control of public expenditures, like any chain of command, is no stronger than its weakest link. The purpose of this bill is to strengthen the weakest link, namely, parliament's scrutiny of public funds. The House of Commons, through this committee, should be able to scrutinize thoroughly and without impediment the accounts of Canada and the annual report of the Auditor General, and present to the House for debate reports which empower the executive to take action, thereby completing the cycle of parliamentary control.

What are some of the weaknesses in the House rules? Under the Standing Orders, the Standing Committee on Public Accounts must be struck within a given time at the commencement of the first session of each parliament. Unlike the other committees of the House which must have the estimates referred to them, the public accounts committee may never be called or given an order of reference by the government should it not be in the interest of the government to do so. The executive does not have to organize the committee and does not have to refer anything to it.

May I give just a few examples of the delays that have occurred in the work of the public accounts committee. As you know, Mr. Speaker, it is up to the government House leader to call the organization meetings of all committees of the House, including the public accounts committee. In the twenty-sixth parliament, the opening was May 16, 1963, and the organization meeting of the public accounts committee was not held until October 16. In other words, six months elapsed before the committee was even organized. From the opening of the twenty-seventh parliament on January 18, 1966, to the organization meeting on March 1, 1966, two months elapsed. That was not so bad. From the opening of the twenty-eighth parliament on May 8, 1967, to the organization meeting on May 5, 1968, 12 months elapsed. Imagine, Mr. Speaker, a whole year went by before the public accounts committee was called for an organization meeting! From the opening of the twenty-ninth parliament, the present parliament, on January 4 of this year, to the organization meeting on March 14, two and a half months elapsed.

What about the reference of work to the public accounts committee? From the opening of the twenty-sixth parliament on May 16, 1963, to the first reference in May, 1964, a

year elapsed. From the opening of the second session of the twenty-seventh parliament on May 8, to the first reference to the committee, several months elapsed. The present parliament opened on January 4 and there has been no reference of any work to the public accounts committee since then. Three months have elapsed. Yet that committee is behind in its work; it has not yet finished the 1971 report of the Auditor General. The Auditor General's report for 1968 was tabled on March 16, 1969, and was referred to the committee on April 16, 1969. Only one month elapsed. Only the first volume of the 1969 report was referred to the committee. Apparently, from the records that I have been able to locate, the second volume was never referred to the committee.

The Auditor General's 1970 report was tabled on June 4, 1971, and was referred to the committee on September 22 of the same year. So there is still delay between the time the Auditor General tables his report and when it is referred to the committee. I will refer to these delays later in my speech. This practice has weakened parliament's responsibility as the guardian of the public purse and, furthermore, the responsibility of the public accounts committee to examine critically public expenditures.

Under the present rules, committee reports may be presented to the House by committee chairmen. They may be concurred in and debated. It is very seldom done, but they could be. It has been the experience of the public accounts committee that its reports have been tabled with little or no debate. This may be the result of the committee's limited power to secure orders of reference and government recognition.

• (1610)

The committee has no power to enforce the implementation of its own recommendations; it is entirely dependent upon the will of the executive. In Britain, the treasury has the responsibility of reporting to the public accounts committee the status of outstanding recommendations and their effective implementation. The Treasury Board of Canada does not have this responsibility unless directed by the cabinet. There are some other limitations. Attendance and participation at committee meetings pose problems for members with many parliamentary commitments and, in turn, the detailed attention they can give to the committee's inquiries. There is a growing need for research assistance and professional services to facilitate the committee in its work.

What are the solutions? There are two or three possible ways of dealing with the problems. First, amend the statute, the Financial Administration Act; second, amend the Standing Orders of the House of Commons; third, deal with the problems by a separate bill or an act. I have chosen to introduce a bill, but it is immaterial to me how the change is brought about, Mr. Speaker.

I know that the Australian government has had a committee of public accounts act since 1913 and it has worked very well. I have had the opportunity of visiting the standing committee on public accounts in Australia and talking with the chairman and secretary. I also have had the privilege of sitting in at a meeting of the United Kingdom public accounts committee. Both these committees work and are organized under a statute. Unlike Australia, the public accounts committee in Britain receives its authority from a specific British House of Commons standing order No. 86. In both Australia and Great Britain the public accounts committee has specific terms of reference. The Canadian committee, on the other hand, observes the general terms contained in the Standing Orders along with other standing committees of the House. They are just general terms.

What are my recommendations, Mr. Speaker? The purpose of Bill C-19 is to ensure that the responsibilities traditionally handed down to the public accounts committee are safeguarded by statute. Presently they are not. They should be. Therefore, it is recommended that the bill include the following four main points: first, the public accounts committee personnel shall automatically be chosen and organized during the first 15 working days of each session of parliament. The Standing Orders of the House set out that the members must be chosen at the commencement of each session, but there is nothing to say that an organization meeting must be held. As I have proven by dates, we have had lapses of up to a year between the day the members were chosen and the organization meeting was held.

Second, the chairman of that committee, unlike the chairman of other parliamentary committees, shall not be a member of the party forming the government, but shall be a member of the official opposition. This is the system we have at the present time but there is nothing in the statute to say it should be that way. In the Australian and British systems it is laid down by statute. Third, the public accounts of income and expenditure, and the Auditor General's report shall automatically be referred to the public accounts committee as soon as they are tabled in the House, and not be delayed from such reference and study at the whim of the government of the day. I am looking at this in a non-partisan way. I am looking at it as a long-term statute for this parliament of Canada, no matter what party is in power. I feel that these principles should all be laid down by statute and there should not be as much power given to the executive as there is at the present time.

Fourth, all recommendations made by the public accounts committee to parliament shall be reported on annually, or sooner, by the responsible minister upon action taken by him or the Treasury Board. This would make it compulsory that the recommendations made by the committee should be handled and reported within a year. I do not care which method is used, Mr. Speaker, whether it is the Financial Administration Act, Standing Orders of the House of Commons or a separate bill. One thing I do know, however, is that if the public accounts committee is to perform the function it was meant to perform, it should be independent of the executive and set up by statute as it is in Australia and the United Kingdom.

I hope my bill is not talked out, but if there is a feeling that there should be more discussion on it, I will agree to whatever the House decides. I should like to have it referred to the finance committee or the Standing Committee on Procedure and Organization, however, so that they could decide which form the statute should take.

It is very important, as I see it, that in the years that lie ahead we should follow the proven and tested system

which other countries have used. We are operating under a sort of hearsay operation, a sort of tradition. There is nothing laid down by statute, and I sincerely feel there should be. It was with that line of thought that I introduced Bill C-19.

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, I am happy to make my modest contribution to the study of Bill-19 to amend the Financial Administration Act (Public Accounts) introduced by my excellent friend the hon. member for Wellington (Mr. Hales). The hon. member guided my first steps in the House and in the Public Accounts Committee after my first election in 1970. We became friends through this association and I have had the privilege of visiting Guelph the splendid city of his birth. I hold the hon. member in high esteem. I should like to tell him that I sympathise with his complaints and his desire to find some way to accelerate the proceedings of the committee, to alter or reform it and make it more efficient in order to be able to study various public account items and the report of the Auditor General with greater care and attention than at present. In my opinion, that bill is precisely meant to make the committee more efficient. Several reasons have been put forward by my colleague, the sponsor of the bill, to explain why the proceedings of the committee are not carried out as quickly as expected.

He broached a few points, and if I am allowed to do so, I would like to state a few reasons why the proceedings of that committee have often been delayed. While I do not have his experience as a member of that committee, I wish just the same to give some information. I wish to point out in the first place the delayed tabling of the Auditor General's report whose consideration is the main item in the order of reference from the House. And that report—as stipulated in the statutes— must be tabled fifteen days after parliament reconvenes or the beginning of a session. And three months and a half will soon have elapsed since Parliament reconvened and as we know, that report has not been tabled yet. And this is the sixth year, if I remember correctly, that we are unable to get that report.

The Auditor General has been saying every year since I became a member of that committee that for all kinds of reasons, it was hard for him to hire staff, that the government, the President of the Treasury Board (Mr. Drury) and many other things were to blame, but never his incompetence or his inability to get the necessary staff, since it is up to him to recruit the staff he needs to discharge his duties.

While discussing the matter with some of his colleagues who have left and others who are still serving under him, several gave a few reasons to explain the delay in tabling the report or the difficulties experienced by the Auditor General in getting and keeping a staff.

Of course, in a service like his, as in any other organization, there is a certain percentage of the staff that cannot practically be retained, while in a private enterprise of a similar nature, if after five years business is successful and one has been able to keep 50 per cent of his staff, it means that he is a good boss and that the staff is well paid. On the other hand, in the public service, I am told that the staff stability rate is much higer than in the Auditor General's office. There are surely reasons for this. As a matter of fact, we examined the different reasons that were given by various people in connection with this position and it was said that the employees did not enjoy the same job security as those in the public service because they were operating within a very restricted perimeter. The staff numbers perhaps 200 at best. The public service has thousands of civil servants on its payroll and so offers much more opportunities to those with ambition.

Recruiting opportunities have never been rejected. Each year all the budgets introduced were examined and never submitted to amendments or restrictions. If the Auditor General was requesting additional credits to hire personnel he was never refused and was thus able to ensure the renewal and training of his personnel and his department was as efficient as the House and the government were entitled to expect it to be and because this department should operate as well as all the other federal bodies.

In my opinion this explains why committee business has often been delayed. This most serious reason explains why the report is tabled late each year.

• (1620)

[*English*]

I have a few other reservations about the bill, Mr. Speaker, and I should like to deal with them. I should like, first, to mention that this statutory authority perhaps may be desirable but I am surprised at the choice my colleague made, namely, the Financial Administration Act. His proposal is most surprising, since the Auditor General is a servant of parliament and should not be appointed under legislation generally administered by the Minister of Finance and the Treasury Board. I also looked into the Australian arrangement and have found that the public accounts committee in Australia is a joint committee; it is composed of members of the Senate and members of the House of Commons. On the other hand, our public accounts committee is composed solely of members of the House of Commons.

The bill also provides for the chairman to be a member of the opposition. This practice has been followed in our committee but it is not a matter of statute; it is a matter of convention. It has always been so. It is our tradition that the chairman of the public accounts committee shall be a member of the official opposition party. I agree with this convention. It is a good one and we have the good fortune of having an excellent chairman, as I said at the beginning of my remarks.

I have other concerns respecting the proposed bill and I should like to deal with them. One of my concerns relates to the powers conferred on this committee and the provisions set out in proposed sections 55G to 55S. I believe it might be extremely prejudicial to the ordinarily understood constitutional position of ministers with respect to parliament to insert in this statute authority which might be interpreted as requiring a minister to appear and produce documents. I should like, as well, to draw attention to the effect of conferring the powers in question on a committee of the House, since the result may be that we

should confer on such a committee greater power than that possessed by parliament itself. Indeed, if any thought is given to proceeding with this legislation, I would suggest that it be referred formally to the Department of Justice so that they may have a look at the implications and various aspects of the bill.

After providing for the establishment of the committee, there are in the bill just two sections dealing with the duties of the committee and its *modus operandi* through subcommittees. Following that, the greater part of the proposed legislation deals with procedures for taking evidence, offences and penalties. The provisions for offences and penalties are not consistent with section 92, the section of the Financial Administration Act which deals with offences and penalties.

I should now like to deal with section 55E(1)(c), which speaks of the form of "the public accounts or in the method of keeping them". This is Australian wording and, within the context of the Financial Administration Act, creates a failure to differentiate between the accounts of Canada and the public accounts. In section 55E(2), where the words "shall report annually or sooner if he desires" appear, since the word "annually" covers a period of time rather than a fixed point in time, the word "sooner" would need to be replaced by a word or expression such as "more frequently". This particular subsection does not appear in the Australian legislation, I might add. Further, in section 55E(2) the words "Minister responsible for that department" would need to be replaced by the words "appropriate minister", the approved terminology of the Financial Administration Act.

I should also like to refer to section 55Q, which is intended as an authority for expenditures. Except for the last six words, the section is taken from the Australian act and would not appear to be an appropriate matter for a private member's bill under Canadian parliamentary practice. I suppose this is realized, Mr. Speaker. Of course, there may be many more reasons why we should improve the operation of this committee. Perhaps we should find a way of changing the whole parliamentary system; but that is another problem.

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I rise to give brief support to Bill C-19, introduced by the hon. member for Wellington (Mr. Hales). I will give brief support because, like the sponsor of the bill, I am anxious for these proposals to come at least before the committee so that, hopefully, they can be put into effect.

• (1630)

I will be very brief in my remarks, Mr. Speaker. In a very few words, this bill can be described as one which seeks to add independence and power to the work of the Standing Committee on Public Accounts. That means adding power for the good work of that committee, on behalf of parliament and the public, in which it is engaged whenever it has the opportunity to block the loopholes through which many millions of dollars have escaped in unproductive expenditures—in other words, waste.

The hon. member who introduced this bill knows very well whereof he speaks. As has been indicated, he has been and, hopefully, will continue to be chairman of the Standing Committee on Public Accounts. He is an excellent chairman in every respect. I think he adds to his excellency in that capacity by the bill he has introduced.

Some hon. Members: Hear, hear!

Mr. Mather: As the hon. member for Wellington suggested, the Standing Committee on Public Accounts is one of the most important committees of parliament. It deals with the public's money and tries to make the best use of the money provided by the public through taxes. I think the hon. member for Wellington and others will agree that, at best, we are being guided through the labrynth of ever expanding governmental responsibilities and expenditures by the Auditor General, on one hand, and the chairman of our committee on the other.

While engaged in very important work, the committee can hardly do justice to the very important financial matters that come before it. What we are doing in that committee as it is presently constituted, and with the limited powers it has, is touching the peak of the iceberg of public expenditures. It is a multibillion dollar iceberg. We are doing our best, with the aid of the Auditor General and his officials, to probe the tip of that iceberg.

I believe the committee would benefit by the proposals put forward by the hon. member. The committee is in a very strategic position. It could do more, with a little more independence, to effect great savings and make better use of the public's money. I support in particular the proposal in this bill which calls upon Treasury Board to require a report, at its disposition, of the anti-waste recommendations of the Standing Committee on Public Accounts within a reasonable time. At present, after many hearings and doing as well as we can, we make recommendations some of which go unanswered or are hardly acknowledged and certainly are not put into effect for years. This is a waste of public money. If Treasury Board were required to prepare a report, at its disposition, on what action the different departments have taken on the recommendations of the public accounts committee, this would be an excellent step forward.

There are one or two other points which would be of benefit to the committee and parliament if they were adopted or considered in line with this bill. The public accounts committee should have a permanent secretary to improve the continuity of its work. The committee is faced with many detailed and complex financial matters. It should have the benefit of at least two qualified research people to help in its deliberations. I agree with the hon. member who introduced this bill that it would be most beneficial to have the government, through Treasury Board, acknowledge the recommendations of the committee and their disposition.

I do not want to take much more time. I would like to see this bill sent to the appropriate committee for consideration and action. To strengthen the public accounts committee and help it to do better work is not sufficient. I believe that at least every ten years there should be an in-depth and in-breadth investigation of the structure of the Canadian government and its responsibilities and ever growing expenditures. I believe the last such investigation was carried out ten years ago. In view of the great expansion of government expenditures within the last ten years,

the time is ripe for an in-depth and in-breadth examination of the whole structure of the functions of the government and the spending of public money.

This would do more to probe the tip of the iceberg, which is important enough and which is really the function as the committee is presently constituted, which the public accounts committee carries out. We need something more basic. We need to examine the continuing waste of public money as well as the consequences of it. I take my seat in the hope that the bill will proceed to a committee for action.

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I should like to say a few words on Bill C-19, entitled an Act to amend the Financial Administration Act and deal more particularly with the Public Accounts Committee its constitution and the procedure it should follow.

I believe that all the speakers have recognized the importance of that committee, whose duties are to supervise and scrutinize government expenses, besides analysing as minutely as possible the Auditor General's report.

The hon. member for Wellington (Mr. Hales) recommends the adoption of this bill after consideration in the House. At the same time he points out how weak parliamentary control over government expenses is. I must say that even if that control can appear weak from many standpoints, it is nevertheless essential to the operation of any democracy. My colleague the hon. member for Labelle (Mr. Dupras) has dealt at some length with the matter of the Auditor General's annual report, which is almost always tabled late, and this under all sorts of pretences. Now, I would hope that with a new Auditor General, new rules and a new legislation on the operation of the public accounts committee, we might in the near future get those reports on time, so that we may analyze and study them and make the necessary recommendations each year.

The hon. member for Surrey-White Rock (Mr. Mather) has suggested that the Treasury Board report on the results obtained following the changes introduced as a consequence of the inquiries conducted by the Auditor General in the discharge of his duties. I believe that this is a very good idea which the house should perhaps consider. As to his suggestion that we secure the services of a permanent staff, especially those of a secretary and qualified research personnel, I believe that it is a wise one which could contribute to immensely improve the work of the committee.

It might also be good for members of the committee themselves to be as permanent, if possible, at least for the span of a parliament.

The mover of Bill C-19 wants to strengthen the power of the committee to scrutinize government expenditures and in fact it all boils down to strengthening the power of Parliament to scrutinize government expenditures. The purpose of the bill is good: the hon. member pointed out several weaknesses in the operation of that committee. For example, he talked about the delays in establishing the committee and he went back to the 25th Parliament but I think that if he had gone further back he would have found the same delays that we have today and which can be due to a host of circumstances beyond the control of either the government or parliament.

Evidently, we are having difficulties due sometimes to a host of circumstances in all committees and I wonder if it is need for special legislation or if by simply reviewing the procedure we could not reach the same result.

Mention has been made of committee chairmen who by tradition in Canada are members of the opposition. It is obvious that it is not in the books but I think that precedents and traditions in our parliamentary system will always be respected. I think that budget estimates and public accounts should be referred as sson as possible to the committee for examination as well as the report of the Auditor General which, hopefully, in the future will be submitted within a prescribed time limit.

There is often concern about the fact that the recommandations of the Committee on Public Accounts are not taken into consideration by the government and that there are delays perhaps more or less warranted before immediate action is taken. I think that there is good understanding within the committee. I have had the pleasure to sit on it on several occasions; I think in spite of everything that can be said that it is one of the committees with the best records and who is doing an excellent job, although there are obviously some difficulties. In spite of that, I think all the committee members would agree that the chairman, whom I have known since I have been a Member of Parliament, is doing an excellent job and deserves the congratulations of all his colleagues. As was pointed out earlier, the hon. member for Wellington will remain chairman of the committee on public accounts for as long as he is a Member of Parliament and of the opposition.

I should like to end my remarks by saying that it is obvious that the more independent a committee, the more independent his members and the better the work done, bearing in mind the political context in which we live. In this committee especially, most of the time there is an absence of partisanship that makes me hope that in spite of all the difficulties and disadvantages that is has to face, the committee on public accounts will continue to do the work expected of it to the satisfaction, I would think, of the large majority of members.

• (1640)

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, like other hon. members, I should like to congratulate the hon. member for Wellington (Mr. Hales) for bringing this measure before us. The functioning of the standing committees of the House of Commons has been engaging our attention for some time. Indeed, it would seem that the whole committee system is under attack at the present time, since it is trying to operate under circumstances which were not envisaged. Consequently, we are discovering that there are imperfections in our rules giving rise to difficulties which will probably have to be fought out on the floor of this chamber.

The problem is self-evident and it is one which will not be easily resolved. It is one which I hope will be discussed

in detail in the Standing Committee on Procedure and Organization. At the present time, this committee is engaged in studying the estimates of the House of Commons but, hopefully, when these have been dealt with it will turn to the larger question of the rules governing these committees and the way in which they relate to the House of Commons.

I wish to say a few words on the proposition the hon. member for Wellington has advanced. It has to do not only with the public accounts committee; it seems to involve the relationship of the Auditor General with the House of Commons and parliament in general as well as the question of the appointment of a new Auditor General. Hon. members will no doubt recall that a number of proposals have been put forward as part of a possible new legislative enactment to govern the activities of the Auditor General. A recommendation was put forward some time ago by the public accounts committee itself. It was not acceptable to the House of Commons and so far we have not been able to resolve this dilemma. It would seem to me, however, that the new Auditor General might make recommendations acceptable both to the public accounts committee and to the House of Commons. For this reason I believe the period following the appointment of the new Auditor General would be a much more suitable time at which to legislate the responsibilities in question.

The Financial Administration Act is not a particularly suitable vehicle for this purpose since it deals with the financial responsibilities of Crown corporations and other federal agencies. If we were to insert artificially a description of the role and functions of the public accounts committee, I believe we would be stretching the scope of the act somewhat too far. Indeed, we would be guilty of a crime with which the government was accused last session, that of trying to insert too many pieces of legislation under the title of one bill. I have in mind omnibus bills which the government introduced in past sessions. Hopefully, this practice will not be continued.

I want to draw the attention of hon. members to the delicacy with which we must approach this question. Although the successor to the former Auditor General has been named, he will not assume his duties until some time in July. In the meantime his position is being filled by the Assistant Auditor General. Consequently, it seems to me that until the new Auditor General has had an opportunity to look into his new responsibilities and to read the past minutes of the public accounts committee when the Auditor General's Act was discussed, and indeed to read this debate, it would be somewhat presumptuous of us to give second reading to this proposal and send it to a committee for discussion before the new Auditor General had taken up his position. It seems to me that the least we can do in these circumstances in which we are in transit from one Auditor General to another is to display the courtesy of waiting for him to take control of that position and to make recommendations to the public accounts committee.

• (1650)

I feel it would be far better for the Auditor General to make recommendations to the public accounts committee and for the committee, as a result of studies it has engaged in over the past several years, to make recommendations to this House. I recognize, as I am sure other hon. members do, that this transfer is an onerous one. I think in all justice, also, that hon. members will recognize that the position of Auditor General is a matter of some contention between various parties in the House of Commons.

It may well be that even an act of parliament on the Auditor General written in God's own hand would not be acceptable to hon. members of the House. It does seem to me that until we have reached a reasonable agreement in the House of Commons as to the development of the Auditor General's position under an Auditor General's act, we would be presumptuous in moving forward with this proposal. What I am suggesting is that we should not move forward on a piecemeal basis, but instead should march forward with a co-ordinated and logical approach to the whole problem.

The dilemma hon. members have in coping with the estimates of the government is illustrated most profusely in the way in which committee activities have taken place this year. Hon. members know that the entire estimates of the government are referred to standing committees and that these standing committees have until the end of May to complete their detailed study of the estimates. The Standing Committee on Public Accounts finds itself in a different role. It is designed to receive and report upon the findings of the Auditor General. The role of this standing committee could be competitive but it is designed to be co-ordinative and co-operative.

Our dilemma, as a result of the committee system at the present time, is that Members of Parliament find it takes a great deal of time to carry out the work which has to be done in criticizing the spending of the government in a detailed and precise way. It strikes me that this is not the fault of the structure of the committee system as it now stands but is a problem of the individual member of parliament. We often hear in the House of Commons that there is no time for the House to properly and seriously examine governmental spending. In point of fact, there is ample time under our present system, having regard to the supply motion, allocated days and the time allotted for specific examination under other motions.

Your Honour will note that this is not the approach hon. Members of Parliament take. Very seldom do they come forward with detailed plans to eliminate government spending. Instead, the general tenor of the debates since the last election has been for the government to extend its spending in a whole series of trends; in respect of increased pensions to senior citizens and veterans, increased welfare payments, increased subsidies to farmers and corporations, and increased payments for education. The House of Commons is never free of requests for increased governmental expenditures. However, the real skinflint of the parliamentary system is not the opposition, not the members of the government backbenchers and not the members of the small parties; the actual skinflint is the Minister of Finance and the cabinet, not individual members seeking to have the government increase spending programs.

Your Honour has properly drawn to the attention of the House of Commons the fact that in the third report of the Standing Committee on Indian Affairs and Northern Development it is suggested the government make grants

to the Native Council of Canada, I believe it is to provide proper research facilities to examine aboriginal claims. I am sure that members of the House of Commons will agree that this is a laudable aim. However, there is a procedural point in respect of whether a committee of the House can recommend to the House of Commons an expenditure of money without royal recommendation or the recommendation of a minister. This is a very serious procedural point and I give notice that when such motions are brought forward, some hon. members on this side will argue it.

The point I am trying to make is that not only do members make such recommendations in the normal course of their duties; they seek out opportunities which, in my opinion, are clearly not allowed by the rules, and continually importune the House of Commons to authorize further expenditures. Each member comes to the House of Commons with ideas that are perfectly sensible, reasonable and logical. Very few members come here to suggest that we must cut back expenditures in respect of specific items or departments. The problem, therefore, has become one of tradition in the House of Commons. The idea of cutting expenditures has evaporated and now we are continually seeking increased expenditures.

Mr. Speaker: Order, please. The hour allotted for private members' business has now expired.

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

HOUSE OF COMMONS

Monday, April 9, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

GRAIN

ANNOUNCEMENT OF SALE OF WHEAT AND BARLEY TO RUSSIA

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am pleased to announce to the House that the Canadian Wheat Board has signed contracts covering the sale of some $200 million worth of Canadian grains to the Union of Soviet Socialistic Republics.

The wheat contract covers a total of 1.5 million metric tons, or some 58 million bushels. This will include a variety of grades of spring wheat and durums. The barley sale amounts to 500,000 metric tons, which is approximately 24 million bushels.

The grains will be shipped through east and west coast ports and for the first time, I am pleased to say, through our northern port of Churchill.

Some hon. Members: Hear, hear!

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, we are very pleased to hear the announcement by the minister in charge of the Canadian Wheat Board. However, what concerns western farmers is the eventual price they will receive. It is hard to know what the return will be. It is interesting to note that the latest report from Statistics Canada indicates that western farmers intend to plant some four million acres less than recommended by the government. There is great concern in western Canada about all the unknown factors.

I would like to hear the minister clarify as soon as possible some of the guidelines regarding who will be eligible to vote in the forthcoming vote on whether oilseeds should be sold through the Wheat Board, as well as clarify the whole feed grain situation in western Canada. The western feed grain growers are in a quandary. They do not know whether the eastern market will be protected. I hope the minister will clarify some of these matters soon.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I was very pleased to hear the minister's announcement. The other day in the committee the Minister of Agriculture said he would like to have the job of looking after the Wheat Board, and I did not know how quickly the two ministers were going to make the switch. Apparently the minister in charge of the Wheat Board is still on the job and has negotiated another sale to the Soviet Union. I only hope that we can produce enough grain to meet these and other commitments. I also hope that the weather will be favourable and that there will be enough moisture to produce the kind of crops we need on the acreages we have.

I think that transportation again needs maximum attention from the minister to enable us to develop a rail system that will move our grains effectively. I am very pleased that the government is planning to make greater use of the port of Churchill. This will help to make up for some of the traffic taken away when the job of supplying northern stations was moved from Churchill to Montreal. If the minister has some influence, perhaps he could also restore this traffic and thus improve the over-all situation.

So far as planting is concerned, I think the farmers are reacting to the relatively dry conditions in western Canada. Hopefully, this situation will improve and result in much greater planting. With regard to price, perhaps the minister might develop the habit of telling parliament and the farmers the price at which he is selling our wheat. This might be helpful.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, first I must thank the minister for sending us a French copy of the statement which he has just made. As I would rather congratulate than blame, I am pleased to discharge my responsibilities, especially since my point of order was rather strangely reported in newspapers last week. Therefore, I hope that they will report my comments today as being a compliment to a minister of the Crown.

This being so, I would like to make some brief remarks on the minister's statement that a rather considerable quantity of grain will be exported to Russia. This clearly shows that Canada is in a position, when wisely developing its natural wealth, especially its soil, to contribute to feed mankind.

I am very pleased with this sale which will contribute not only to feed part of mankind but also to expand further agriculture in Canada. However, I would like to point out to the government that if we want to keep on exporting so that we may help feed mankind we must not neglect our important and basic industry, namely the agricultural industry.

And, in conclusion, I would also like to point out to the Minister of Agriculture (Mr. Whelan) that Canada could find it beneficial to engage on a larger scale in stock-farming so as to use up our grain and put us in a rather favourable competing position, thus preventing us from having to import more meat when it is possible to increase such production at home.

Anyway, I am most pleased by such a transaction and I am convinced that all Canadians will benefit from it.

Again I congratulate the minister for his interest in this matter, though I maintain my position and suggest once more that the Canadian Wheat Board be put under the immediate responsibility of the Minister of Agriculture.

• (1410)

* * *

[*English*]

EXTERNAL AFFAIRS

VIET NAM—KILLING OF MEMBER OF CANADIAN DELEGATION TO SUPERVISORY COMMISSION—STATEMENT ON GOVERNMENT POSITION

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is my very sad duty officially to inform the House that Captain Charles Eugene Laviolette of the Canadian Armed Forces, on assignment to the Canadian delegation to the International Commission of Control and Supervision, was killed in the line of duty on Saturday, April 7, when the International Commission helicopter in which he was a passenger crashed near Lao Bao in Viet Nam with the loss of all nine persons on board. I know that all members of the House, and all Canadians, join with the government in extending sincere condolences to the wife and family of Captain Laviolette and share their deep sense of grief at this tragic event which has befallen them.

The sadness and grief caused by this incident do not affect Canadians only. One Indonesian officer and two Hungarian officers were also killed, as were two Americans and one Filippino, crew members on the helicopter, and two Viet Cong or PRG liaison officials accompanying the party. We are relieved, however, that the other two Canadians, Captain R. L. Parsons and Master Corporal J. M. R. Laplante, who were passengers in another helicopter on the same mission which went to the aid of the stricken aircraft, are now safe in good health.

The Canadian government deplores this tragic and unnecessary incident which, according to preliminary investigation and reports, was the result of a hostile act directed, either deliberately or by mistake, against helicopters which were clearly marked with ICCS insignia. One helicopter was struck by a missile fired from the ground, presumably by the party in whose area of occupation the incident occurred, while it was approaching Lao Bao on an ICCS mission. This happened despite the fact that all the safety procedures and precautions designed specifically to prevent such incidents had been carefully followed. The team had secured the Viet Cong's assurances of safe passage, as witnessed by the presence of two of their representatives on the stricken helicopter, and according to our information the helicopters did not stray from the designated flight corridor to which these assurances of safety specifically applied.

I wish to state as clearly and as forcefully as possible, Mr. Speaker, the conviction of the Canadian government that absolutely no circumstances should ever justify the firing upon personnel of the International Control Commission by any of the belligerents. Even if these helicopters had strayed off course, which all the evidence available to us denies, the penalty for losing one's way in the cause of peace should not be death at the hands of one of the signatories to the Paris Peace Agreement.

While we were under no illusions at the start of our participation in the ICCS concerning the dangers that existed for Canadian personnel in Viet Nam, we have advocated and, we believed, had secured adequate safety and security measures in the field, based largely on trust in the assurances the ICCS is given by the parties involved in each particular case. However, the circumstances of this incident and the events which followed, particularly the hindrances encountered by the commission in its efforts to locate and bring aid to ICCS personnel on the missing aircraft, are such that they jeopardize this trust, even to the point of questioning the ability of the PRG representative in Saigon to speak for all of the military formations occupying the area in question. It cannot but have an effect on the future operations of the ICCS in the deployment of its teams and its investigatory capacities and, as a result, on the attitude of the Canadian government.

The International Commission is still attempting to carry out a detailed investigation of the incident and, until it is completed, not all details will be known. In the meantime, however, I wish to provide the House with the following information, as we have it to date, on events leading up to Saturday's tragedy, what we know of the incident itself, and what has passed since.

May I at this point apologize to the spokesmen for the other parties that I was not able to get this statement into their hands earlier. It was in the course of being revised right up to the last moment on the basis of the latest information.

Under article 4(d) of the protocol on international supervision, attached to the 1973 Paris Agreement, Lao Bao is a specifically designated team site of the ICCS. According to the agreement, the Lao Bao team was to have been in place and operational within at least 30 days after the agreement was signed. However, for a variety of reasons, it was not until March 17 that the first helicopter reconnaissance visit took place to Lao Bao, via Quang Tri and Gio Linh. For this visit the necessary assurances of safety were received from the Vietnamese parties involved and the Viet Cong provided liaison officials to accompany the ICCS team. A second reconnaissance visit was planned for April 5, to see if the Lao Bao facilities were ready for ICCS occupation, but it was abandoned when the Viet Cong liaison personnel were prevented by officials of the Republic of Viet Nam at Quang Tri from boarding the helicopter.

This reconnaissance flight was rescheduled for April 7; on the morning of April 7, at Quang Tri, with clearances and safety guarantees for the flight received from both the South Vietnamese and Viet Cong authorities, the crew of ICCS helicopters Nos. 006 and 115 were carefully briefed by Captain Parent on the exact routing designated by the Viet Cong as being safe for travel to Lao Bao. The two helicopters left Quang Tri at nine o'clock in the morning on April 7 for Gio Linh, where two Viet Cong liaison personnel boarded helicopter 006 and a third boarded helicopter 115. The helicopters departed at 11.15 and proceeded along the route designated by the Viet Cong, from Gio Linh to Dong Ha, and from Dong Ha toward Lao Bao following highway nine at a pre-arranged altitude of 1,000 meters within the agreed corridor two kilometers either

side of highway nine. At ten minutes before noon, helicopter 115 reported that it was in its final approach to Lao Bao. Approximately three minutes later the ICCS team in Quang Tri received a transmission from the helicopter to the effect that one was receiving ground fire and that the other helicopter had been hit by a missile and was going down.

Canadian personnel aboard the surviving helicopter confirm that their helicopter was fired upon at this time. They report that it took evasive action and landed in a hamlet on highway nine, from where they walked to the crash site of the other helicopter, about two kilometers away. There is therefore no reason to believe that either helicopter was outside the flight corridor at the time of the incident, and the weather conditions were excellent. The helicopter which landed safely was fired upon with small arms after it was on the ground, where its ICCS markings could not have been mistaken.

The PRG authorities in Quang Tri have issued their own account of what they call "the accident". They claim that the two helicopters were at least 25 kilometers, that is, about 15 miles, away from the approved flight corridor when helicopter No. 006 was shot down. The statement maintains that they had been this far off course for 40 minutes.

Within minutes the commission's regional headquarters at Hue were informed of the radio distress report and were told that there had been subsequent loss of contact. Immediately, Canadian and other ICCS personnel began common efforts in Quang Tri and in Saigon to get information on what had happened, and most important, to launch a search and rescue mission.

All efforts were to no avail. At Quang Tri, about 40 miles away, Colonel McLeod, commander of the Canadian forces in ICCS region one, contacted representatives of the Viet Cong, which claims to be the party in control of the area of the incident, who were across the river from Quang Tri. During the course of the afternoon of April 7, he was three times refused permission to proceed by either land or air to Lao Bao. He was eventually informed early in the evening of April 7 that necessary arrangements for safe passage to Lao Bao could not be made. Later he was told that one helicopter had landed safely, but that the other had, and I quote, "met with an accident". The PRG or Viet Cong representative would give no information on casualties or on the condition of the personnel involved.

• (1420)

In Saigon, while General McAlpine and his three colleagues on the military committee of the ICCS left for Hue to conduct the inquiry personally, similar attempts were being made to secure information from the PRG or Viet Cong delegation to the two-party Joint Military Commission. These efforts, which involved a three-hour meeting between the PRG representatives and the Indonesian chairman acting on behalf of the commission, also failed. The Viet Cong would not permit a proffered American search and rescue operation to proceed from Thailand as the commission had requested, and they refused to provide liaison officers for any search organized by the ICCS, although helicopters were standing by. Nor would they give any information on the personnel involved. Almost 24 hours after the incident, the best that could be obtained from the Viet Cong was a letter to the commission confirming that one helicopter had "met with an accident", and that the PRG was organizing its own search and rescue operations.

By this time General McAlpine had proceeded from Hue to Quang Tri with other members of the ICCS military committee where, on the morning of April 8, he met with the same PRG representative who had refused Colonel McLeod permission the day before to go to Lao Bao. The Viet Cong representative reported, at last, that all those aboard one helicopter had been killed in the "accident", but he still either could not or would not say which helicopter was involved. General McAlpine was also told that the Viet Cong were bringing out the dead and survivors to Gio Linh that evening, and that he and his colleagues should proceed there to receive them. Early in the morning of April 9, which was yesterday afternoon by our time, General McAlpine received the Canadian survivors and we are able to positively identify, for the first time, which helicopter had been shot down. As I mentioned above, the survivors were examined medically and found to be in good condition.

We have been informed by the Canadian representative on the military committee of the ICCS, Major General McAlpine, that when the so-called PRG officially handed over the bodies and survivors on the morning of April 9 at Gio Linh, it made an attempt to have the ICCS military committee sign a prepared statement claiming that the helicopters were off course and that the incident was an accident. The ICCS military committee quite rightly refused to meet such an outrageous demand.

From the reports which we have received, however, it is understood that before they were released, the surviving passengers and crew of the helicopter had been required to sign statements prepared by the PRG that they were off course, and that it was implied that if they refused they might not be returned to ICCS authorities. I understand that the survivors did sign the statements; I am sure that hon. members will make no mistake about the value of such statements signed under these circumstances.

In the meantime, the commission is proceeding on an investigation of this tragic incident. The PRG have agreed that the military committee will be escorted to the crash area where they will be permitted to conduct their own on-site inquiry.

Mr. Speaker, that is the extent of the information which is available to us now. I am bound to say that this incident is only the most tragic of a number of cases in which ICCS aircraft, all of which are clearly and prominently marked, have been fired upon. As hon. members will recall, the first such incidents occurred in late February. Since the incident of which I have just given an account, I have received a report that another ICCS helicopter has been fired upon within the past 24 hours. Two Canadians were among its passengers. On April 9, in the southernmost of the ICCS's seven regions, the ICCS helicopter was accompanying a helicopter of the Joint Military Commission near a team-site called Vi Thanh. The JMC helicopter was flying at an altitude of 500 feet, and the ICCS helicopter was following it at an altitude of 3,500 feet. Both

were fired upon from the ground, and the JMC helicopter is reported to have been hit by a number of rounds. As a result, all ICCS helicopters in the region have been grounded pending consideration of the matter by the ICCS at its headquarters in Saigon.

I wish to assure all Canadians, and especially the families and friends of Canadians serving in Viet Nam, that the government is taking these incidents very seriously indeed. It is doing everything within its power to ensure that they do not recur. We are in touch with our representatives in Saigon to ensure that all possible measures are taken to that end. When we are satisfied that we have obtained all the relevant information, and after consultation with our partners in the ICCS, particularly those whose nationals have lost their lives, we will take appropriate action to hold accountable those responsible.

Such serious incidents will of course have a bearing upon the government's decision concerning Canada's continued participation in the ICCS. Hon. members will recall that in my statement to the House late last month, I said that the general situation in Viet Nam was highly unsatisfactory, and that Canada would terminate its participation at the end of June if the situation did not improve substantially. Since then, the general situation has not improved; in fact, it has deteriorated. If it does not improve very substantially, it will be clear that by continuing to serve in the ICCS we would be staying on to observe, not a peace, not a cease-fire, but a continuing war. We would be doing so, as this recent deplorable incident makes clear, at totally unjustified human risk. This we will not do. This House may be sure, and all Canadians may be sure, that we will not continue to risk Canadian lives in fulfilment of a task which is not worth doing. The parties are responsible for making the task worthwhile, by making it a task in support of peace in Viet Nam. We will expect them to fulfil that responsibility.

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, a Quebecer, in the line of his peace keeping duties has just lost his life in Viet Nam. It makes us all feel very sad and on behalf of the Leader of the Opposition (Mr. Stanfield) and of my party, I extend to Madame Laviolette and to her family our deepest sympathy.

In our opinion, this tragedy is not an isolated case which is to be accepted with submissiveness and fatalism. It is a tragedy which must be considered in the overall picture of a mission that is becoming more perilous and desperate each day, because this government to which we gave the benefit of the doubt when it renewed its commitment shows that it is incapable of securing the required guarantees for the safety of our observers.

Not only did we fail to get essential and necessary guarantees, but because of a stupid, incomprehensible and foolish act which we strongly condemn, NLF sharpshooters have killed several observers, including a Canadian, Captain Laviolette from Quebec. How far, Mr. Speaker, do we have to go to establish peace in Viet Nam?

We agree to hope beyond all hope, but we must not confuse daring and recklessness, or highmindedness and naiveté. We shall continue to question the government on its ambivalent behaviour in this whole business. We trust

the government will give us answers that are as specific as our questions will be. We will continue to demand that complete light be shed on this subject in committee.

And if, after having performed a superhuman task, Ambassador Gauvin may be justified in having holidays, we wonder why he could not appear before the committee and do so with the same government permission he had to get for his visit to Tokyo, to enlighten the public and the Members of Parliament on the measures taken by the government in Viet Nam.

• (1430)

[*English*]

Mr. Speaker, there are some fundamental questions that must be asked about our operation in Viet Nam. They are questions Canadians have a right to see answered. If, as the minister said in his statement to the House when the government's decision to recommit was made known, our role is more in the area of providing an international presence than supervising the peace, why must our men be continually subjected to increasing danger? More directly, what action are we taking at the ICCS level to ensure that all ICCS personnel are subjected to as limited a degree of danger as possible? If, as Canadians have believed, we are there at the invitation of the combatants, why did we experience, if reports are correct, continued difficulty in gaining access to the crash site in order to make our own inquiry, either independently or as part of a special ICCS investigation?

We must ask whether those we are dealing with representing the combatants really do have control of their forces in the field. If we do obtain guarantees of safe passage from the Viet Cong, for example, can we be satisfied that such guarantees will be respected by Viet Cong regulars in the field? Are Canadian forces in the field, in conjunction with other ICCS members, being afforded basic co-operation—basic at least to the extent of safe passage? Are ICCS craft so viewed by the combatants that the slightest diversion from course causes them to be classified as hostile and open to attack?

Sir, these are questions to which every responsible member of this House and of the government should want answers. There were accidents in Cyprus, there were accidents in the Middle East and in the Congo. Nevertheless, there was a basic assumption of safety under international auspices throughout all those assignments. It is this assumption which Canadians are working under now and which was understood when most agreed that we should accept our responsibilities in Viet Nam. It is surely the basic assumption that we must demand from the combatants if we are to continue to maintain our commitment.

When the party to which I belong accepted the view advanced by the Secretary of State for External Affairs that we should continue our commitment in Viet Nam in the hope that our presence might ease peace into place, we asserted that the minister had the responsibility to continue and re-initiate efforts to gain formal acceptance of the essence of our basic conditions for participation. The tragic death of Captain Laviolette and those of his international colleagues underlines the need for those initiatives. I say to the government that all Canadians are now calling on the government to illustrate clearly and

forthrightly that we have done all we can, and are continuing to do all we can, in order that no more Canadians or other ICCS members should have to make this supreme sacrifice.

Mr. David Lewis (York South): Mr. Speaker, needless to say, every member of my party in the House, like every Canadian throughout the country, is saddened by the tragic death of those aboard the helicopter, saddened not only by the death of Captain Laviolette, although his death is closer to our hearts and to our thoughts, but saddened also by the death of the other people who were on that helicopter, some of them members of the ICCS and even Viet Cong people as well. I join the Secretary of State for External Affairs and the spokesman for the Conservative party in sending Madame Laviolette and her family our very deepest sympathy.

It is possible, of course, in a situation of this kind, to start making political accusations against the administration, either in Ottawa or in Viet Nam, accusing them of having failed to obtain sufficient guarantees or of not doing enough. I submit that this is not the issue. There is no evidence that Mr. Gauvin and his associates in Viet Nam have not worked their hardest to get all the assurances it was possible to obtain, and I am not prepared to try to make political capital out of this situation—

Some hon. Members: Hear, hear!

Mr. Lewis: —by accusing either the people in Ottawa or the people in Saigon or other parts of the Viet Nam of having failed in their duty.

What has obviously happened—and this is the saddest part of the situation—is that the assurances that had been obtained, particularly from the Viet Cong, particularly from the PRG, are assurances that have not been kept. The PRG would not have placed two liaison officers on the helicopter that was destroyed if arrangements for the flight had not been very carefully and fully made.

I say this to the minister, which seems to me to be important above anything else: the event which occurred on Friday was not an isolated incident. As he makes clear in his own statement, helicopters have been fired upon since February. The ICCS has not been given an opportunity to do its job. It was even refused the right and the opportunity to investigate the crash itself. It seems to me a pattern is developing which shows there are some parties who are not prepared to keep the Paris peace agreement. It may well be that those parties agreed to the presence of the ICCS only for the period when this was necessary in order to get the American troops and the American prisoners of war out of the area, and that now this has been accomplished certain parties in Viet Nam—not limited to the North Vietnamese or the PRG, since it would seem the South Viet Nam government is also playing this kind of game—are no longer concerned about having the ICCS there but are more concerned about having freedom to continue the war, as the minister indicated in his statement, than in taking action which would really stop the war. If this is the case, I suggest to the minister that the date of June 30 is not a sacrosanct date, even though it is the date we suggested, and I repeat the statement I made in Charlottetown during the weekend that we should now decide to withdraw before June 30. I do not think it is a sacred date.

• (1440)

It has already been shown that the work of the ICCS is being interfered with, that the lives of members of the ICCS are being endangered. I think the government ought to decide now that, if this danger continues over the next week or two, we will not wait until June 30 but take action to end the ICCS operation just as soon as it becomes evident that there is no reversal of the attitude of certain parties in Viet Nam. I urge the minister that we not wait that long, not only because of the danger to our personnel there but also because we ought not to participate in an operation that is clearly being frustrated by those people who are responsible for keeping the peace.

One other factor that has disappointed my colleagues and myself immensely about the work of the ICCS is that it has not been given any opportunity at all to look into the question of the political prisoners held by the South Vietnamese government. There are thousands of these prisoners. Their numbers have been debated by those who say they know, but there may well be 200,000 of these political prisoners who are being held by the South Vietnamese government. Their release is not only a humanitarian necessity but also a necessity if there is to be peace in Viet Nam, for they are the people who could build the bridges among the various sections of the Vietnamese people.

If the minister has not already done so, I think he ought to take the initiative in making sure that our arm of the ICCS is having intensive discussions with the representatives of the three other governments. I also suggest that we ought to initiate immediately very serious discussions with the joint military commission of the combatant parties to see whether we can find out if they really intend peace or the opposite.

I close by repeating our deep sadness at the death of Captain Laviolette and the others with him in the helicopter. I also reiterate my plea to the government that they not hold the date of June 30 as sacred but that we leave this dangerous area just as soon as the government becomes convinced that there is no chance of reversing the attitude of certain Vietnamese parties.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, my colleagues and I join all other members in extending to Madame Laviolette and her family our most sincere sympathy on the very sad incident which took place on April 7, in Viet Nam.

I also endorse the views that the hon. member for York South (Mr. Lewis) has just expressed when he said that one should not use such an incident to play politics.

I heard earlier the hon. member for Saint-Hyacinthe (Mr. Wagner) make a lacrymose statement holding, so to speak, the Secretary of State for External Affairs (Mr. Sharp) responsible for what happened in Viet Nam.

Mr. Speaker, I can't help wondering what the Progressive Conservatives would have done in the place of those who now govern us. That, they forget to tell us. However, they are prepared to put the whole blame on this government, when we know very well that our participation in

the International Commission of Control and Supervision leads necessarily to certain consequences. One cannot go there without running any risk, and by the way, the Prime Minister (Mr. Trudeau) and the Secretary of State for External Affairs said it recently.

And so I do not think it is altogether honest to try and make little of the government's action. If one wishes to avoid all risk, there is only one thing to do: stay at home. We undertake to carry out the mission, and then, when we are there, there is an accident and we are all upset. I thought the Leader of the Official Opposition (Mr. Stanfield) was sobbing just now. I thought the member for Saint-Hyacinthe was going to start saying his prayers; he was that serious.

Mr. Speaker, this is no way to treat an accident of this sort. For my part, I thought, and I still think, that we should have stayed at home, because the situation over there was not clear, and it is not any clearer now. The minister has just said that we will not be taking any more risks. It is high time we thought about that. I consider that we must help Viet Nam if Viet Nam wants to help itself. But if it does not, let us not impose ourselves. I am speaking now to all those concerned. To those who say that what is happening there is the Americans' fault, I answer that it is just as much the fault of the communists. If we blame one side, let us also blame the other. Let us tell them that the Vietnamese must be left to settle their own problems without intervention by the USSR, China, the United States or Canada. It is as simple as that. That is our position.

I am totally opposed, Mr. Speaker, to any attempt at making politics of this issue, and I am sorry that such attempts are being made. What is the government going to do? What is the government going to answer? The government might answer: I think Mr. Laviolette was killed. That is quite simple, and everyone knows it. We do not yet know all the causes of this incident. When we do, we will be able to form a clearer, sounder opinion. But meanwhile, let us hope that there will be no more such incidents in Viet Nam and that, as Canadian members of Parliament, we will do all we can to prevent them.

Mr. Speaker, those are all the remarks that I wished to make. In ending, I again present our sincerest condolences to all of Mr. Laviolette's family and I hope that this will not happen again in Viet Nam.

Mr. Albert Béchard (Bonaventure Îles de la Madeleine): Mr. Speaker, as Captain Laviolette comes from my riding where his parents and his wife's parents are still living, I wish to join the Secretary of State for External Affairs and members of all parties in this House in extending to Mrs. Laviolette, her nine-year old daughter and to all her relatives, my deepest and most sincere sympathy.

[Mr. Caouette (Témiscamingue).]

BANK OF CANADA

FINANCING OF PUBLIC PROJECTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, under Standing Order 43, I ask unanimous consent of the House to introduce a motion which is of urgent necessity.

In view of the failure of the Bank of Canada, because of its present structure and rules, to be really devoted to all Canadian citizens and of the inefficiency of the present banking system, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That an order be given by this House to the effect that the Bank of Canada could finance all public projects on government rates, whether those projects are under the responsibility of federal or provincial governments.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent. The motion cannot be put.

* * *

• (1450)

[*English*]

POLAR BEAR PROTECTION BILL

PROVISION TO OUTLAW KILLING OF POLAR BEARS

Mr. John Reynolds (Burnaby-Richmond-Delta) moved for leave to introduce Bill C-174, to provide for the prohibition of the killing of polar bears in Canada.

Some hon. Members: Explain.

Mr. Reynolds: Mr. Speaker, I think I will have to yell louder because the microphone seems to be out of order. I am very happy to have my five children sitting in the gallery today and I hope they have not caused any problem.

No more gracious or majestic animal so typifies the spirit of the north as the great polar bear. Yet, like so many of our wildlife resources, this animal too faces extinction. In this regard the purpose of this bill is to protect from extinction one of Canada's most beautiful wildlife resources, the polar bear.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

DEPARTMENT OF NATIONAL REVENUE—PERSONNEL

Question No. 46—**Mr. Coates:**

1. What was the total number of employees involved with taxation within the Department of National Revenue for the taxation year 1971?

2. Of that total number, how many were permanent employees of the Department and how many were casual?

3. What is the total number of employees involved with taxation within the Department of National Revenue for the taxation year 1972?

4. What is the estimated additional staff requirement, over and above 1971, for the 1972 taxation year and of that increased number, how many will be permanent employees and how many casual employees?

5. What will be the cost of the additional staff to the taxpayers of Canada?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: 1. The staff on strength as of March 31, 1972 was 13,203.

2. Permanent, 9,756; Casual, 3,447.

3. The estimated staff on strength as of March 31, 1973 is 14,029.

4. The estimated additional staff for the 1972 taxation year as of March 31, 1973, is 826 which consists of 659 permanent and 167 casual staff.

5. The estimated cost of the additional staff will be; Permanent $4,940,000; Casual, $900,000; Total $5,840,000.

NATIONAL REVENUE—SIMPLIFICATION OF INCOME TAX FORMS

Question No. 62—**Mr. Wise:**

Is the government giving any serious consideration toward the simplification of income tax forms?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: There is a constant and continuing program aimed at simplification of income tax forms and the Minister has invited suggestions in this respect from all Members of Parliament. In addition to providing for the various features of the Income Tax Act, the 1972 Income Tax form is designed to serve the needs of nine provincial Income Tax Acts, Canada Pension Plan, Quebec Pension Plan, Unemployment Insurance Act, Ontario property tax credit, and Manitoba education property tax credit. This relieves the public of having to file a multiplicity of forms each year.

DEPARTMENT OF FINANCE—PUBLICITY EXPENDITURES

Question No. 90—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Finance on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

2. What were the names and addresses of firms or individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Hon. John N. Turner (Minister of Finance): 1. 1968-69, Nil; 1969-70, Nil; 1970-71, $1,125; 1971-72, $13,725.

2. A. D. Lumsden, Ottawa, Ont.—$14,850—Preparation of information relating to departmental programs.

3. Nil.

EMPLOYMENT OF MR. ROBERT KAPLAN

Question No. 632—**Mr. Mazankowski:**

Is Mr. Robert Kaplan acting as a consultant to the Department of Industry, Trade and Commerce and, if so, how much is he receiving in remuneration, on a *per diem* basis?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Robert Kaplan is providing consulting services under a contract with the Minister of Industry, Trade and Commerce which provides for a fee of $200 per diem for each day his services are rendered. The total remuneration payable under the contract may not exceed $4,940.

GOVERNMENT POLICY RESPECTING HARBOURS AND TERMINALS SERVICING ARCTIC VESSELS

Question No. 743—**Mr. Forrestall:**

1. In connection with harbours or terminals necessary for the servicing of Arctic vessels, does the government intend to announce its policy respecting the design and location of such terminals?

2. Is it the intention of the government to announce its policy with respect to whether such harbours or terminals would be publicly or privately owned and, if so, on what date?

3. Does the government have any policies with respect to harbours and terminals for the servicing of Arctic vessels at this time and, if so, what are they?

Hon. Jean Marchand (Minister of Transport): 1. The present policy will continue in effect.

2. The present policy will continue in effect.

3. The Ministry of Transport policy with respect to Arctic harbours and terminals is the same policy applicable to such developments elsewhere in Canada. This policy allows for public and private development or a combination of both with certain constraints for the building and operation of facilities prescribed under the terms of the Canada Shipping Act and the Navigable Waters Protection Act.

CONTRACT FOR POLAR ICEBREAKER

Question No. 751—**Mr. Forrestall:**

1. Has the government ever let a contract of $500,000 for necessary research and development into the design of a polar icebreaker and (a) if so (i) how many other such contracts have been let (ii) to whom were they let (iii) for what amounts (iv) on what dates (v) at what stage or stages would any such studies at this time (b) if not (i) what has been done with the $500,000 indicated as reserved for this purpose in March, 1970 (ii) is it the intention of the government to implement such a study in the immediate future?

2. Is it the intention of the government to take steps to ensure that all such studies will be done in Canada by Canadian groups and, if so, what steps have been taken in this direction?

Hon. Jean Marchand (Minister of Transport): 1. No; (a) Not applicable; (b) (i) Further consideration of this matter

indicated a requirement for a substantial research and development program which has resulted in $1.5 million being set aside for this purpose; (ii) The study, which will involve several related research and development contracts, has commenced and will continue over the next two years.

2. The government intends to have as much of the studies and design work as possible done in Canada by Canadian firms. All work underway is being done by Canadians and it is felt that there is enough expertise in Canada to permit not only the design but the actual construction as well. Of course in special areas where the expertise is not available in Canada, we may have to go outside the country in order to ensure that Canada gets the best designed ship possible for its money.

UNEMPLOYMENT INSURANCE COMMISSION—COMPUTER CENTRES

Question No. 827—**Mr. Godin:**

1. How many computers are in operation at the Unemployment Insurance Commission?

2. Are such computers owned or rented by the government?

3. If rented, what is the term of the contracts and for each centre (town) (a) how many computers are in operation (b) what is the cost and term of the contract (c) were tenders called (d) how many tenders were received (e) what was the amount of each (f) who were the tenders?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. The Unemployment Insurance Commission has six computers, plus a minicomputer which serves as the terminal, at St. John's Newfoundland, of a telecommunications link connecting that city to the main computer for the Atlantic Region in Moncton, N.B.

2. All of the Unemployment Insurance Commission computers are rented.

3. The contract was entered into in February, 1969 and provided for the period up to August 31, 1972; (a) There is one computer installed at each of the following locations: (i) Moncton; (ii) Montreal; (iii) Ottawa; (iv) Belleville; (v) Winnipeg; (vi) Vancouver; (b) The original contract provided for the period February 1969 to August 31, 1972. The monthly rates as of August 31, 1972 were as follows: (i) Moncton, $11,871; (ii) Montreal, $15,091; (iii) Belleville, $15,089; (iv) Winnipeg, $11,999; (v) Vancouver, $11,792; (c) Yes; (d) Seven; (e) Three tenders were eliminated on the grounds that they did not meet the basic requirements of the Invitation to Tender. The amounts of the acceptable tenders were: $43,923, $44,275; $42,165; $47,656; (f) The firms who submitted tenders were: National Cash Register Company of Canada; Univac Canada; Burroughs Business Machines Ltd.; Honeywell Controls Ltd.; International Business Machines Ltd.; RCA Victor Company Ltd.; Canadian General Electric. In addition, a sixth computer was installed in Ottawa in 1971 to provide for the development of programs used by the regional computers, and to carry out certain statistical and analysis functions required by management. Only Burroughs was invited to propose equipment for the Ottawa site.

[Mr. Marchand (Langelier).]

METROPOLITAN TORONTO—ASSISTANCE WITH GRADE SEPARATION PROJECTS

Question No. 843—**Mr. Stackhouse:**

1. How much money has been awarded to Metropolitan Toronto for assistance with grade separation projects to be undertaken in (a) 1972 (b) 1973 (c) 1974?

2. How much has been awarded to the Borough of Scarborough for the same purpose in the same period?

3. How much was awarded to (a) Metropolitan Toronto (b) Montreal (c) Vancouver for this purpose during the period 1962-1972?

Hon. Jean Marchand (Minister of Transport): 1. Not Available (See note below).

2. Not Available (See note below).

3. (a) Metropolitan Toronto—Contributions totalling $16,168,560.15 were made toward projects approved in Metropolitan Toronto during the 1962-72 period. In addition $2,022,400 has been committed towards projects approved in this period but final payments have not been made to date; (b) City of Montreal—Contributions totalling $650,213.38 were made towards projects approved in the City of Montreal during the 1962-72 period; (c) City of Vancouver—Contributions totalling $701,855.20 were made towards projects approved in the City of Vancouver during the 1962-72 period.

NOTE: Since the Committee does not stipulate a time limit in its Orders for commencement or completion of grade separation projects it is not possible to provide answers to questions 1 and 2. However, commitments totalling $1,088,100 were approved for projects in Metropolitan Toronto during the year 1972. There were no grade separation projects approved in 1972 in the Borough of Scarborough. The Committee has not approved any grade separation projects in 1973 to date in Metropolitan Toronto.

AIR CANADA—IN FLIGHT MEALS

Question No. 947—**Mr. Leggatt:**

1. What is the name of the caterer who prepares in-flight meals for Air Canada?

2. What is the charge to Air Canada for a single economy dinner?

3. What is the charge to Air Canada for a single first-class dinner?

Hon. Jean Marchand (Minister of Transport): The Management of Air Canada advises as follows: 1. Meals are provided for Air Canada flights by contracted caterers at locations as shown in the following list. Exception is London and Prestwick where meals are provided from Company-operated flight kitchens.

Contracted caterers: Vancouver, Calgary, Edmonton, Saskatoon, Regina, Winnipeg, Toronto, Montreal, Saint John, Moncton, Halifax and Sydney, CARA Operations Ltd.; Los Angeleles, Marriott In-Flite Services; Thunder Bay, Airlane Motor Hotel; Timmins, Empire Hotel Co. of Timmins Ltd., North Bay, Arcadian Restaurants Ltd.; Windsor, Mody's Big Boy Ltd.; Cleveland, Sky Chef's Inc.; Chicago, Marriott In-Flite Services; New York, Chef's Orchid Inc.; Ottawa, Golden Totem Restaurant Ltd.; Sept Iles, Airline Food Ltd.; Quebec City, Desjardins & Paré

Inc.; St. John's, Nfld., E. W. Harvey Ltd.; Boston, Sky Chef's Ltd.; Tampa, West Coast Caterers Inc.; Miami, Jerry's of Miami Inc.; Bermuda, Bermuda Aviation Services Ltd.; Nassau, Nassau Airport Caterers Ltd.; Kingston, Liner Diner Ltd.; Port of Spain, Bel Air International Airport Hotel Ltd.; Montego Bay, E.S. Campbell & Company, Ltd.; Barbados, Barbados Flight Kitchen Ltd.; Antigua, Antigua Catering Services; Bahamas, Grand Bahama Caterers Ltd.; Shannon, Sales & Catering Service; Paris, Compagnie Internationale des Wagon-Lits; Frankfurt, S.A.S. Catering; Brussels, Belgavia S.A.; Zurich, Swissair; Copenhagen, Hammers Restaurant.

2 and 3. Details of the contracts are considered proprietary information.

ASSISTANCE TO POTATO GROWERS FOR DAMAGE TO CROPS

Question No. 1,064—**Mr. Godin:**

What amount was paid by the government to potato growers for damage to crops in the constituencies of (a) Champlain (b) Portneuf (c) Montmorency?

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): (a) Nil; (b) Nil; (c) Nil.

MONEY RECEIVED FROM FOREIGN GOVERNMENTS ON DEBT OWED TO CANADA

Question No. 1,069—**Mr. Howard:**

What amount of money has the Canadian government received from foreign governments since March 31, 1970, as interest on the debt of $1,166,721,359 as shown in the answer to Question No. 492 of the current Session as given at page 1496 of Hansard?

Hon. John N. Turner (Minister of Finance): From March 31, 1970 to December 31, 1972 the Canadian Government received $100,029,725 in Canadian dollars and $5,468,000 in U.S. dollars as interest on the debt of $1,661,721,359* indicated in the answer to question no. 492 of the Current Session.

---

*The correct figure is $1,661,721,359 and not $1,166,721,359 as cited in the question.

*TROPICAL AND PARASITICAL DISEASES

Question No. 1,191—**Mr. Rynard:**

1. For the years 1969, 1970, 1971 and 1972, how many cases of tropical and parasitical diseases were registered in (a) Montreal (b) Toronto (c) Vancouver?

2. How many physicians in Canada are qualified as specialists in tropical diseases?

3. How many of the special drugs used in the treatment of tropical diseases are imported into Canada and how many, if any, of these drugs have been held back by the Food and Drug Directorate?

4. What was the cost of the drugs used in tropical diseases clinics in Canada for each of the years 1969, 1970, 1971 and 1972?

5. How many immigrants from countries where tropical and parasitical diseases exist were admitted to Canada without health checks for each of the years 1969, 1970, 1971 and 1972?

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the answer to the first part of the question is as follows:

Number of notifiable cases of tropical and parasitical diseases as reported by provincial authorities is:

	1969	1970	1971	1972
(a) Montreal	1	None	None	None
(b) Toronto	None	46	63	181
(c) Vancouver	2	None	1	None

No cases of the four quarantinable diseases, smallpox, cholera, yellow fever and plague, were reported during this period.

The answer to part two is that there is no Canadian medical speciality in tropical diseases and therefore, of necessity, no physicians in Canada qualified as such. However, there are doctors who direct a significant proportion of their services towards the treatment of these diseases and who have considerable expertise in this area of medicine. Also steps have been taken by health professionals in Canada to establish a tropical medicine and international health organization.

The answer to part 3 is 38 and none.

The answer to part 4 is that the reported cost of drugs used in the four main tropical diseases clinics in 1969 was $2,386, in 1970 $3,767, in 1971 $4,073 and in 1972 $4,529.

The answer to part 5 is none. All immigrants to Canada, referred to the Department of National Health and Welfare by the Department of Manpower and Immigration for medical examination, are examined to ensure that their presence in Canada will not endanger public health.

TORONTO HARBOUR PARK

Question No. 1,281—**Mr. Stackhouse:**

1. What is the time schedule for the development of the proposed Toronto Harbour park?

2. How many acres has the government acquired for this project and (a) from whom were they acquired (b) on what date (c) at what price?

3. How many acres remain to be purchased?

4. What buildings, if any, are to be demolished?

5. When is the proposed park likely to be opened to the public?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Such a schedule has not yet been determined. It will be the subject of tri-level discussions.

2. To date the government has acquired 14.569 acres by purchasing Terminal Warehouses Limited on January 22, 1973. The amount paid to date is $12,041,250.00. Pending audit re final determination of book value the maximum which we may have to disburse is $12,475,000.00, which will be reduced by a minimum of $2,000,000 and a maximum of $2,750,000 depending on the adjusted net book value.

3. Approximately 72 acres remain to be acquired as follows: Expropriation proceedings are currently underway to secure approximately 21 acres in private ownership, and some 46 acres owned by the Toronto Harbour Commission have been secured by written agreement in

principle that the lands will be transferred to the Crown in exchange for harbour improvements works to an equal value. Less than five acres remain to be acquired, generally under Provincial or Municipal control. Arrangements to transfer these lands to the scheme will be discussed at forthcoming tri-level meetings.

4. No decision has yet been made.

5. Will likely be opened as it is developed, i.e., probably in phases over five year or more period and within overall concept and design which is to be agreed at forthcoming tri-level meetings.

NOTE: Minister of State for Urban Affairs has overall responsibility for federal position in this project.

NATIONAL DEFENCE—CIVILIAN PERSONNEL

Question No. 1,292—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of National Defence?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of National Defence?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. James Richardson (Minister of National Defence): 1. January 31, 1970, Department, 32,666; Defence Research Board, 2,080.

2 and 4. See Appendix "A" following.

Appendix "A"

Salary Range	Department		DRB	
	1970*	1973	1970	1973
$15,001–$16,000	68	Information not requested	50	Information not requested
16,001– 17,000	47		61	
17,001– 18,000	53		20	
18,001– 19,000	29	35	30	41
19,001– 20,000	29	77	28	34
20,001– 21,000	13	37	40	76
21,001– 22,000	22	22	12	14
22,001– 23,000	14	21	4	25
23,001– 24,000	2	31	18	11
24,001– 25,000	5	14	4	25
25,001– 26,000	3	23	4	35
26,001– 27,000	0	12	6	10
27,001– 28,000	5	7	1	13
28,001– 35,000	1	17	3	22

*Breakdown by salary was not available on statistical tapes until June 30, 1970. Total number of employees on that date was 32,106.

3. January 31, 1973, Department, 30,521; Defence Research Board, 1,851.

INCOME TAX ACT—PART-TIME FARMING DEDUCTIONS

Question No. 1,385—**Mr. Rose:**

1. By province, in 1969, 1970 and 1971, how many individuals filed Income Tax forms availing themselves of the provisions for part-time farming deductions under the former Act, Section 13 (new Act Section 31)?

[Mr. Dubé.]

2. By province, in 1969, 1970, 1971, how many individuals who filed under the provisions of Section 13(31) have (a) had their income tax statements accepted completely (b) been sent notices of reassessment?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: Our records are not kept in such a way to make it practical to answer such a question.

HIGH SCHOOL INDIAN STUDENTS

Question No. 1,387—**Mr. Orlikow:**

Of Indian students attending high school, how many are in academic, commercial or vocational (two or four year) courses?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development):

	Grade 9	Grade 10	Grade 11	Grade 12	Grade 13
Academic	3,426	1,872	1,096	734	32
Commercial	0	84	83	107	0
Vocational—Four Year Program	998	749	391	280	0
Vocational—Three Year Program	73	111	185	12	0
Vocational—Two Year Program	45	23	131	1	0

*SAINTE SCHOLASTIQUE INTERNATIONAL AIRPORT

Question No. 1,415—**Mr. Laprise:**

How many acres were expropriated for the construction of the Sainte Scholastique International Airport and what was the average cost per acre?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer is as follows: The total land expropriated for the Sainte Scholastique International Airport is approximately 88,000 acres. The average cost per acre is $1,400 including land, buildings and all other compensations.

DISTRIBUTION OF INCOME TAX BY QUINTILES

Question No. 1,463—**Mr. Orlikow:**

Of all family units in the years 1967 and 1972, what percentage of the total money income was received by (a) the lowest one-fifth (b) the second lowest fifth (c) the third lowest fifth (d) the fourth lowest fifth (e) the highest fifth?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: The latest available information on income distributions is for 1971. The percentage shares of total money income received by family units[1] in different quintiles in 1967 and 1971 were as follows:

Family Units in:	Per Cent Share of Total Income in	
	1967	1971
(a) Lowest quintile	4.2	3.6
(b) Second quintile	11.4	10.6
(c) Third quintile	17.8	17.6

Family Units in:	Per Cent Share of Total Income in 1967	1971
(d) Fourth quintile	24.6	24.9
(e) Highest quintile	42.0	43.3
	100.0	100.0

(1) Family units include both unattached individuals and families of two or more persons.

Order Paper Questions

NATIONAL DEFENCE—EXPENDITURES BY REGION

Question No. 1,536—Mr. McKenzie:

1. In the fiscal years 1968-69 to 1971-72, how much money was contracted to each of the five regions of Canada by the Defence Construction (1951) Limited?

2. What was this in per capita terms for each region?

Hon. James Richardson (Minister of National Defence): 1 and 2. Details of Defence Construction (1951) Limited expenditures in each of the five regions of Canada is shown in Appendix "A" following.

APPENDIX "A"

Fiscal Year	Atlantic	Quebec	Ontario	Prairies	Br. Columbia
1968–1969					
Expenditures	$6,253,000	$1,926,000	$4,971,000	$2,426,000	$1,699,000
Per Capita	$ 3,114	$ 324	$ 684	$ 702	$ 848
1969–1970					
Expenditures	$2,288,000	$2,850,000	$3,284,000	$3,472,000	$5,579,000
Per Capita	$ 1,137	$ 476	$ 440	$ 992	$ 2,699
1970–1971					
Expenditures	$6,014,000	$7,534,000	$7,204,000	$2,821,000	$5,358,000
Per Capita	$ 2,980	$ 1,252	$ 943	$ 800	$ 2,507
1971–1972					
Expenditures	$10,557,000	$16,037,000	$10,349,000	$7,255,000	$5,553,000
Per Capita	$ 5,129	$ 2,660	$ 1,343	$ 2,048	$ 2,541

CMHC—BUILDING INSPECTORS

Question No. 1,554—Mr. Godin:

By province, in the years (a) 1970 (b) 1971, how many building inspectors were employed by Central Mortgage and Housing Corporation?

Hon. Ron Basford (Minister of State for Urban Affairs): The number of inspectors employed by Central Mortgage and Housing Corporation as at December 31, 1970 and 1971, are shown in the following table:

Province	1970	1971
Newfoundland	7	9
Prince Edward Island	1	1
Nova Scotia	12	11
New Brunswick	6	5
Québec	54	72
Ontario	86	93
Manitoba	12	13
Alberta	28	30
Saskatchewan	11	12
British Columbia	24	29
	241	275

VISITORS TO KEJIMKUJIK NATIONAL PARK

Question No. 1,663—Mr. Haliburton:

1. How many visitors registered at the Kejimkujik National Park during the summers of (a) 1970 (b) 1971 (c) 1972?

2. How many such visitors were from outside the Province of Nova Scotia?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The estimated attendance at Kejimkujik National Park during the summers of 1970, 1971 and 1972 is shown below:

	1970	1971	1972
June	22,345	18,424	16,259
July	30,087	42,710	34,221
August	43,394	42,296	36,958
Total	95,826	103,430	87,438

2. No estimate can be provided of the number of visitors to Kejimkujik National Park who were from outside the Province of Nova Scotia. Such information is collected only as part of special visitor use studies, the first of which will be conducted in Kejimkujik National Park in 1973.

ESTABLISHMENT OF PROVINCE HOUSE IN CHARLOTTETOWN

Question No. 1,699—Mr. Macquarrie:

1. Has the government agreed to provide funds to establish Province House in Charlottetwon as a "living national memorial" and, if so, what is the significance and cost of such a project?

2. What changes or additions to the present structure or its furnishings are envisaged?

Order Paper Questions

3. Under what department will the renovation be carried out?

4. What will be the role and/or contribution of the Government of Prince Edward Island in such project?

5. Is it the intention of the government to assume authority, ownership and control of the aforementioned building?

6. In what other provinces does the legislature meet in a building designated as a "living national memorial"?

7. When and by whom was it suggested that the seat of the Prince Edward Island Legislative Assembly become the property or developmental responsibility of the government?

8. If and when Province House becomes a "living national memorial" which government will be responsible for hiring staff and maintaining security for the building?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. This subject is under discussion between the Provincial and the Federal Government.

2. Under discussion in connection with part 1.

3. If an agreement is reached, the Department of Indian Affairs and Northern Development will carry out the renovations.

4. Under discussion in connection with part 1.

5. Under discussion in connection with part 1.

6. No other provincial legislature meets in a building designated as a "living national memorial". Province House in Charlottetwon is unique because of the pre-confederation meetings held there.

7. Premier A. B. Campbell asked whether the government would be interested in taking over the building as a historic monument and assuming the financial responsibility for its maintenance and administration in a letter dated September 21, 1966.

8. Under discussion in connection with part 1.

ACREAGES OF NATIONAL PARKS

Question No. 1,722—**Mr. Forrestall:**

1. What were the original acreages of our 29 national parks upon their respective establishments?

2. What is the present acreage of these parks?

3. In terms of percentages, how greatly have these parks expanded after their establishment?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1, 2 and 3.

Park	Area on Establishment (square miles)	Present Area (square miles)	Per Cent Change
Banff	10	2,564	25540.
Glacier	30	521	1637.
Yoho	10	507	4970.
Waterton Lakes	54	203	275.9
Jasper	5,000	4,200	−16.
Elk Island	16	75	368.7
Mount Revelstoke	95	100	5.2
St. Lawrence Islands	0.4	0.4	0
Point Pelee	6	6	0
Kootenay	587	543	−7.5
Wood Buffalo	10,500	17,300	64.7
Prince Albert	1,377	1,496	8.6
Riding Mountain	1,148	1,148	0
Georgian Bay Islands	5.0	5.4	8
Prince Edward Island	7	7	0
Cape Breton Highlands	459	367	−20
Fundy	79	79	0
Terra Nova	156	153	−1.9
Kejimkujik	140	140	0
Kouchibouguac	85	85	0
Pacific Rim	54	54	0
Forillon	92	92	0
La Maurice	176	210	19.3
Gros Morne	Boundaries are not yet finalized		
Kluane	8,500	8,500	0
Nahanni	1,840	1,840	0
Baffin Island	8,290	8,290	0
Ship Harbour	Boundaries are not yet finalized		
Pukaskwa	725	725	0

NATIONAL REVENUE—TOTAL REVENUE OBTAINED FROM CUSTOMS AND TARIFFS, 1960-72

Question No. 1,763—**Mr. Stewart (Okanagan-Kootenay):**

What was the total revenue obtained from customs and tariffs for each of the years 1960-72 inclusive?

Hon. Robert Stanbury (Minister of National Revenue):

Fiscal Years	Total Revenue $
1959-60	526,925,805.50
1960-61	500,325,483.22
1961-62	535,794,201.92
1962-63	646,451,699.33
1963-64	583,037,271.32
1964-65	624,261,967.03
1965-66	687,747,576.43
1966-67	779,666,354.33
1967-68	748,452,156.34
1968-69	764,467,291.09
1969-70	823,011,138.34
1970-71	819,216,092.73
1971-72	994,230.283.04
1972-73 (9 months)	846,215,679.25

DREE—GRANTS TO CAISSES POPULAIRES IN QUEBEC

Question No. 1,816—**Mr. Lambert (Bellechasse):**

1. Since its inception, has the Department of Regional Economic Expansion made any grants to one or more local *caisses populaires* (credit unions) in Quebec and, if so (a) to which ones (b) for what purpose (c) in what amount (d) in what year?

2. Were grants made to one or more federations of *caisses populaires Desjardins* and, if so (a) to which ones (b) for what purpose (c) in what amount (d) in what year?

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. No. Not eligible for assistance. (a) N/A; (b)N/A; (c) N/A.

2. No. Not eligible for assistance. (a) N/A; (b) N/A; (c) N/A.

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

EMPLOYMENT OF DEFEATED CANDIDATES IN FEDERAL ELECTION, OCTOBER 30, 1972, BY FEDERAL GOVERNMENT

Question No. 22—**Mr. Coates:**

1. To date, how many individuals who were defeated candidates in the federal election of October 30, 1972, have become employees of either the Prime Minister or Cabinet Ministers or how many have assumed a position with the government that is paid for from the federal Treasury?

2. In each instance (a) what is the name of the person (b) what is the position (c) what is the annual salary (d) what are the responsibilities and the date on which those responsibilities were assumed?

Return tabled.

DEPARTMENT OF NATIONAL REVENUE—PUBLICITY EXPENDITURES

Question No. 73—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of National Revenue on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

2. What were the names and addresses of firms or individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each and what is the purpose of each contract?

Return tabled.

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY—EXPENDITURES FOR RESEARCH

Question No. 111—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Canadian International Development Agency on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

DEPARTMENT OF COMMUNICATIONS—RESEARCH DEVELOPMENT AND CONSULTING SERVICES

Question No. 123—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Department of Communications on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

DEPARTMENT OF MANPOWER AND IMMIGRATION—RESEARCH, DEVELOPMENT AND CONSULTING SERVICES

Question No. 126—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Department of Manpower and Immigration on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

CANADA COUNCIL GRANTS IN THE AREA OF HUMANITIES AND SOCIAL SERVICES

Question No. 976—**Mr. Gillies:**

1. For each fiscal year 1970-71 to 1973-74, how many (a) natural-born Canadians (b) landed immigrants whose country originally was the United States (i) received (ii) applied for Canada Council grants in the area of humanities and social sciences?

2. How many landed immigrants, whose country originally was the United States of America and who received grants in the area of humanities and social sciences, returned to a Canadian academic appointment upon completion of their fellowship for (a) 1970-71 (b) 1971-72 (c) 1972-73 to date?

3. For each fiscal year 1970-71 to 1973-74, how many landed immigrants, other than those from the United States of America (a) received (b) applied for Canada Council grants in the area of humanities and social sciences?

4. How many landed immigrants, other than those from the USA and who received grants in the area of humanities and social sciences, returned to a Canadian academic appointment upon completion of their fellowship for (a) 1970-71 (b) 1971-72 (c) 1972-73 to date?

5. What are the various criteria used for judging the applications for Canada Council grants in the area of humanities and social sciences?

6. Who is on the decision-making committee for the Canada Council grants in this area?

Return tabled.

ON-THE-JOB TRAINING PROGRAM

Question No. 1,181—**Mr. Kempling:**

Regarding the On-the-job Training Program, for each of the past two financial years, what were (a) the total number of applications received (b) the dates of receipt of each application (c) the amounts, in dollars, involved in each approved application (d) the dates of approval of each application sought by Eaton's, Hud-

son's Bay and Simpsons-Sears subsidiaries, branches and associated Companies (e) the guidelines used as to the maximum that any one company may receive in one financial year under this Training Program?

Return tabled.

MANPOWER TRAINING ACT AND TECHNICAL-VOCATIONAL ACT—SPECIAL ENGLISH COURSES

Question No. 1,466—**Mr. Orlikow:**

1. How many new Canadians in each province took courses in Special English under the provisions of the Manpower Training Act in each month in 1971?

2. How many new Canadians in each province took courses in Special English under the provisions of the Technical-Vocational Act in each month in the year 1971?

Return tabled.

MANPOWER TRAINING ACT AND TECHNICAL-VOCATIONAL TRAINING ACT

Question No. 1,468—**Mr. Orlikow:**

1. How many adults in each province took courses under the provisions of the Manpower Training Act in each month in the year 1971?

2. How many adults in each province took courses under the provisions of the Technical-Vocational Training Act in each month in the year 1971?

Return tabled.

CANADIAN CHARTERED BANKS

Question No. 1,532—**Mr. Matte:**

1. How many chartered banks are there in Canada?
2. What are their names?
3. What are the reserves of each bank?
4. What was the amount of loans granted by each bank in 1972?

Return tabled.

Mr. Blenkarn: Mr. Speaker, I rise on a question of privilege. Last week or the week before I inquired about my question No. 278 which appeared on the order paper on January 12. That question deals with the Opportunities for Youth program. The Minister is requiring that members of the House give him a report on proposed opportunities for youth programs and that it be presented to him for approval today. It would be very much easier for me and other members if this kind of question which I placed on the order paper were answered. I see no reason whatsoever for this question not having been answered. It is a matter of privilege for myself as a member of the House to point out that the government has not got around to answering this question despite the fact I have already raised the matter on the floor of the House.

Mr. Paproski: Mr. Speaker, I wish to rise on a point of order or a question of privilege in view of the fact I have had about 60 questions on the order paper since February 23 which ask the government what financial contributions have been made for development assistance to various countries of the third world. What is the minister hiding?

[Mr. Kempling.]

Why do this departmental officials not answer my questions?

Mr. Sharp: Mr. Speaker, if I may be permitted to answer, the department has been working for some weeks on these questions involving a very long and detailed answer. I am hoping to be able to condense all the answers into one tabulation and I expect it will be ready this week.

Mr. Paproski: I wonder whether the minister would at least give me some little detailed article? The Department of External Affairs seems to keep publishing in the papers the contributions to different countries, but members on this side of the House cannot receive an answer.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

VIET NAM—GROUNDING OF SUPERVISORY COMMISSION HELICOPTERS—SAFETY OF CANADIAN DELEGATION—NUMBER OF INCIDENTS OF FIRING ON HELICOPTERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Secretary of State for External Affairs a question first for clarification. When he says that all helicopters of the International Commission of Control and Supervision in the region have been grounded, would he clarify what he means by "region"? Does this mean within the whole jurisdiction of the ICCS or does it mean the region where the attack took place?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am afraid I cannot answer that question too precisely. It is my understanding it is in the areas where we have not been receiving co-operation with respect to safety of the flights, but I will put this question to Saigon to see whether I can get a more precise answer.

Mr. Stanfield: Mr. Speaker, I should like to ask the minister whether any further precautions are being taken with regard to the safety of our members particularly on the ICCS and whether any consideration is being given to withdrawing them into a position of relative safety in Viet Nam compared with being perhaps in exposed positions of possible danger in the event of an outbreak of hostilities?

Mr. Sharp: The answer to that question, generally speaking, is yes.

Mr. Stanfield: Arising out of the minister's response to my first question in which he was not quite positive concerning what "region" meant in relation to the grounding of the helicopters, could the minister tell us approximately how many instances there have been prior to this tragedy in which ICCS helicopters have been fired upon? He mentioned that there had been a whole series of them. Could he give us the approximate number?

• (1500)

Mr. Sharp: Mr. Speaker, the House will recall that very soon after the ICCS teams were fielded in Viet Nam there were attacks on helicopters. There was a sufficient number of them at that time that all the helicopters were grounded. That was the first series of events. Then we had the event on April 7 when these two helicopters were fired upon and one of them crashed. Since that time we have had another incident. This is one of the reasons, of course, for the first question put by the Leader of the Opposition about the use of helicopters thereafter. I hesitate to be too precise because it may be there is some information I lack from Saigon, but it is my understanding that it has been in the areas where safety could not be assured. Helicopters are presumably operating in other areas where there have been no incidents of any kind.

Mr. Stanfield: Did I understand the Secretary of State for External Affairs correctly that there were no instances of firing upon ICCS helicopters between the grounding following the first series of attacks and the tragedy of recent days?

Mr. Sharp: Yes. There may have been a very minor matter where there was perhaps some small arms fire which never reached the helicopter, or something like that. But, as the hon. gentleman knows, we do not want to put these helicopters into the air unless we are pretty well guaranteed that they will not be fired upon. That is why not only our people in Saigon but the whole of the ICCS, including the Indonesians, the Poles and the Hungarians, have been using helicopters very sparingly and only when they felt they would not be fired upon. This latest tragedy is an instance of how impossible it is to protect oneself in advance against what appears to be a deliberate flouting of the agreement reached by the high command of the PRG.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Has the minister communicated directly with the first ministers of the Provisional Revolutionary Government, the government of the Republic of Viet Nam and the government of the Democratic Republic of Viet Nam to impress upon these governments that if the fighting continues and if the lives of ICCS personnel continue to be in danger, Canada will be compelled to withdraw her contribution to the commission with a minimum of notice as obviously there is no peace to supervise?

Mr. Sharp: The statements that I have made to that effect in this House and publicly have been conveyed to the representatives of the PRG.

CIVILIAN PRISONERS IN SOUTH VIET NAM—REQUEST THAT CANADA PRESS FOR RELEASE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question on a slightly different subject. In view of the widespread concern throughout Canada, of which I am sure the minister is aware, about the plight of civilian prisoners in South Viet Nam, what steps will the minister take to inform the government of the Republic of Viet Nam of the Canadian concern and to press for action to relieve the situation?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, when I was in Saigon I brought this question to the attention of the foreign minister and the prime minister of that country, and the response I got was that they had given a list of the 5,000 civilian prisoners now being held.

VIET NAM—POSSIBLE RECONVENING OF SIGNATORIES TO PARIS AGREEMENT TO REVIEW SITUATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I ask the Secretary of State for External Affairs whether or not, in light of the tragedy and the whole situation over there, the government has given any consideration to our taking any initiative whatever to have the signatories of the Paris Agreement reconvene in Paris for the purpose of reviewing, first of all, whether or not the safeguards and assurances given under that agreement can in fact be achieved or whether or not, in light of the present situation, there is indeed any point in continuing?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I have not as yet given consideration to that particular suggestion. It is one of the means open to us. I doubt very much whether under present circumstances Canada would get much support in reconvening the Paris conference, but it was one of the points I pressed upon the conference that there should be a mechanism for having the conference recalled. Unfortunately, the mechanism that we had suggested was not adopted, but at least on the request of six members the conference may be recalled to hear evidence that the cease-fire is not being observed.

Mr. Forrestall: Mr. Speaker, I have a further supplementary question.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Darmouth-Halifax East. It seems to me, however, that the supplementary questions asked by the hon. member for Greenwood and the hon. member for Dartmouth-Halifax East bifurcated somewhat from the original question. It might be better, after I have recognized the hon. member for Dartmouth-Halifax East, that we complete the first round of questioning and then return to supplementaries which may be either supplementary or an extension of the original question.

Mr. Forrestall: Mr. Speaker, we are all concerned about the activities in Viet Nam. I am sorry if I am straying away from the original locale. I do not intend to do that but rather to ask whether or not there is a useful vehicle to ensure that the very objections which were raised could be met. I wish to ask the minister one further supplementary question. I understood the minister to say that the parties must agree to the recalling of the Paris conference. May I ask then, by way of a representation, whether or not the government would now take some initiative to see if within the next two or three weeks such an invitation could be jointly issued by the members of the ICCS to the signatories to that agreement?

Mr. Sharp: I thank the hon. gentleman for his suggestion. I cannot give a definite answer now but it is one of the possibilities that remains open and it will be kept under constant review.

* * *

FINANCE

INCREASE IN BANK OF CANADA INTEREST RATE—CONSULTATION BETWEEN GOVERNOR AND MINISTER

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Finance. I assume from the provisions of Section 14 of the Bank of Canada Act that the governor of the Bank of Canada consulted the minister and that he had the minister's agreement for the increase in the interest rate of half of one per cent which the governor of the Bank of Canada announced. Would the minister inform the House whether my assumption is right, that he was consulted, and whether he agreed to this increase in the rate?

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker, I was informed of this by the governor of the Bank of Canada prior to his raising the bank rate. In our meetings the governor has kept me fully informed. As the hon. gentleman knows, the governor has the day to day responsibility over monetary policy. I am satisfied with the action, particularly if the hon. gentleman refers to the statement of the governor when he stressed that monetary policy in Canada will continue to be expansionary and the bank remains firmly committed to maintaining a rate of monetary growth high enough to support a strong expansion of Canadian output and employment. In those terms, I agree with the action taken by the governor.

An hon. Member: When did it start?

Some hon. Members: Oh, oh!

Mr. Lewis: Mr. Speaker, I hope the minister does not accept that gobbledygook—

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): You accept it.

Mr. Lewis: —of the governor of the Bank of Canada saying, on the one hand, that he is going to have an expansionary policy and, on the other hand, doing something that prevents an expansionary policy.

Mr. MacDonald (Egmont): When did he phone you?

INCREASE IN BANK OF CANADA INTEREST RATE—EFFECT ON EXPANSIONARY POLICY

Mr. David Lewis (York South): I should like to ask the Minister of Finance since he has the authority under Section 14 of the Bank of Canada Act to disagree with the governor and when he does disagree to give him a written directive as to what the policy should be, whether he has in fact approved this increase in the interest rate, and can he briefly indicate to the House how that is consonant with an expansionary policy?

[Mr. Forrestall.]

• (1510)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I ought to recite to the hon. gentleman and to the House the rate of expansion with respect to the monetary policy for the first three months of the year. Total loans of the Canadian banking system increased at an annual rate of 26 per cent. Total major assets increased at an annual rate of 19 per cent. Mortgages increased at an annual rate of 34 per cent, and the privately held money supply increased at an annual rate of 17 per cent.

Mr. Speaker: Order, please. We are obviously involved in debate. The hon. member may ask a supplementary. He will be recognized for that, and then I believe the hon. member for Edmonton West has a supplementary.

INCREASE IN BANK OF CANADA INTEREST RATE—REQUEST THAT MINISTER NOT AGREE TO FURTHER INCREASES

Mr. David Lewis (York South): In view of the fact that this kind of action by the monetary authorities in the past has often been a prelude to continuing similar action to increase interest rates which affect mortgages as well as bank loans eventually, and thereby to reduce the monetary supply and so affect the expansion of the economy—I suggest to the minister that this is a fact—can the minister assure the House that he will not agree to any further increases in interest rates that will affect the Canadian economy as disadvantageously as this one will?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not agree with the full ambit of the preamble to the hon. gentleman's question. I cannot give the House any such assurance. The bank rate was raised in order to ensure that the continuing expansion of the monetary supply would not be continued at a rate that might jeopardize the situation. Bank loans are increasing at a very strong rate. We are also affected by the short-term interest rates abroad, which are a point and a half to two points above Canadian interest rates. They were attracting money from the Canadian market and that was prejudicial to Canadian borrowers. Those were the reasons the bank rate was raised.

INCREASE IN BANK OF CANADA INTEREST RATE—EFFECT ON VALUE OF DOLLAR AND EXPANSIONARY POLICY

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, would the minister advise the House how he reconciles a deflationary step such as increasing the bank rate, which today is having a consequential increase in the commercial rate or the prime rate charged by the banks, with his claims of an expansionary budget and economy, as well as relating it perhaps to some problems with regard to the international value of the dollar? Is he now expecting a greater inflow of foreign currency so that the Canadian dollar will be affected thereby?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not want to speculate on the future value of the Canadian dollar, but I want to remind the hon. member

that short-term interest rates in Canada are still considerably lower than those in the United States or Europe, so I would not anticipate the result to which he refers.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Témiscamingue, and then return to supplementaries on the first and second questions.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

CIP PLANT IN TEMISCAMING—STUDIES RESPECTING POSSIBLE REOPENING—REQUEST FOR REPORT BY MINISTER

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, may I ask a question of the hon. Minister of Regional Economic Expansion.

Last Thursday the minister announced in the House the possibility of reopening the CIP plant at Temiscaming and he stated that he would have discussions with Quebec authorities during the week. Before making this statement last Thursday, had the minister been in communication with Quebec to say how much he was concerned about the reopening of the plant?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Yes, Mr. Speaker. This afternoon just prior to coming into the House I placed a call to the appropriate minister in Quebec. He was not in his office at the time but I am expecting that the call will be returned later this afternoon. If so, I will be prepared to go to Quebec either tomorrow or Wednesday.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, may I ask a supplementary question?

I am glad to hear the minister is prepared to go to Quebec to settle the matter, but has he in hand the productivity study the province of Quebec is deemed to have made on the reopening of the CIP plant?

[*English*]

Mr. Jamieson: I do not personally have it in hand, but I know that my officials have been advised of most of the contents, and of course it formed a large part of the basis on which the decision was made that I announced last Thursday.

* * *

FINANCE

INCREASE IN BANK OF CANADA INTEREST RATE—REQUEST FOR POLICY STATEMENT BY MINISTER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. In view of the very short, terse statement given by the governor of the Bank of Canada in making his announcement of the increase in the bank rate, would the minister make a statement on motions within the next day or so setting forth what the monetary stance is now, what the purpose of the increase is and what it is all about, or do we have to have a continuation of the mysteriousness that always seems to surround movements made by the Bank of Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will be appearing again before the standing committee of the House on Department of Finance estimates next week and will be glad to go into that in some detail as members put the issue to me. I just want to remind the Leader of the Opposition that the primary day to day responsibility for monitory policy rests with the governor of the Bank of Canada, unless there is a conflict between the thrust of monetary policy and that of fiscal policy or governmental policy. That is not so as long as the monetary policy remains expansionary, which it does.

INCREASE IN BANK OF CANADA INTEREST RATE—EFFECT ON SLOW GROWTH AREAS—DISCUSSION WITH GOVERNOR

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. In view of the impact of any restrictive monetary policy on slow growth areas, which I think can be amply demonstrated, can the minister advise whether any conversation took place between himself and the governor of the Bank of Canada with regard to some kind of favourable monetary attitude toward slow growth areas, especially relating to capital formation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, when the governor of the Bank of Canada advised me of the action he was going to take, I suggested to him that when he was communicating with the presidents of the Canadian chartered banks he should reiterate to them his earlier strictures, namely, that loans ought to be made primarily available to small Canadian borrowers and in those areas of slow growth, and that the spread between the rate paid on deposits and the rate of interest charged on loans should remain the same so as not to increase the profit potential of the banks. When the president of the Canadian Banking Association telephoned me this morning I repeated to him personally those same concerns on the part of the government.

INCREASE IN BANK OF CANADA INTEREST RATE—EFFECT ON NATIONAL HOUSING ACT MORTGAGE INTEREST RATE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. In view of the fact that all previous increases in the bank rate have led to an increase in the interest rate on NHA mortgages, could the minister inform the House if before approving of the current increase he calculated its effect on the NHA mortgage rate? Specifically, can he assure the House that the NHA rate, which is already at 9¼ per cent, will not be increased?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there is no direct connection between the bank rate and mortgage rates. As a matter of fact, over the past few

months, as the hon. gentleman knows, rates for conventional mortgages have been coming down.

* * *

EXTERNAL AFFAIRS

POSSIBLE DELAY BY UNITED STATES IN IMPLEMENTATION OF GREAT LAKES WATER QUALITY AGREEMENT—CANADIAN POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the stated concern of some United States Congressmen that the United States will not issue the necessary regulations controlling sewage from U.S. vessels on the Great Lakes by the required date of April 15, can the minister assure the House that Canadian regulations required by the Great Lakes water quality agreement are ready to be issued by April 15?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I would prefer to take that question as notice and give a more complete answer tomorrow. The information I have now would not justify me in giving the kind of answer that I think the hon. member would like.

* * *

NATIONAL DEFENCE

CAMP VERNON—ACCIDENTAL DEATH OF TWO CHILDREN FROM EXPLOSIVE DEVICE—ACTION TO PREVENT SIMILAR DISASTER

Mr. Douglas Stewart (Okanagan-Kootenay): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Is the minister aware of the tragic incident yesterday which caused the deaths of two Vernon, British Columbia, children, killed when a mortar shell, picked up on a former munitions training range at Camp Vernon, exploded?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker, I am aware of this tragic accident. It is being investigated. I do not believe it is yet known what the explosive device was that caused the accident, but the RCMP are investigating and we are co-operating fully.

Mr. Stewart (Okanagan-Kootenay): Will the minister indicate whether or not he is prepared to issue a directive that this second world war training range be combed and recombed in order to prevent similar disasters?

Mr. Richardson: Mr. Speaker, this area has been examined by military engineers over the years, dating back as far as 1963. If there is new evidence following the investigation that warrants a further examination, then I would authorize it.

[Mr. Turner (Ottawa-Carleton).]

AGRICULTURE

POSSIBLE PRODUCTION OF PROTEIN FROM WHEY

Mr. J. R. Ellis (Hastings): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In light of recent reports that the processing of protein may soon become a leading industry in Canada, has the minister considered the production of protein from whey, which is available at the rate of a quarter of a billion pounds annually in my area and could produce approximately 15 million pounds of pure protein annually?

• (1520)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I can tell the hon. member that the research department of the Department of Agriculture has probably one of the most expanded research programs of any group of researchers in the world studying the use of this product so it can be economically used. We are aware of this and are considering how it can be done in economic fashion for the benefit of all producers that have to use this protein.

* * *

[*Translation*]

CONSUMPTION AFFAIRS

MEASURES TO PROTECT BUYERS OF HEARING AIDS

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

Can he tell the House when he will announce measures to protect buyers of hearing aids, old people in particular, who sometimes are shamefully exploited by unscrupulous buyers?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am taking this question as notice.

* * *

[*English*]

FINANCE

ALLEGED REFUSAL OF CHARTERED BANKS TO MAKE SMALL BUSINESS LOANS—GOVERNMENT ACTION

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the Minister of Finance. Is the minister aware that some Canadian chartered banks are refusing loans under the Small Businesses Loans Act and, if so, what action is open to him under the act?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I should like to have specific instances in order to look into the matter.

AIR TRANSPORT

ALLEGED FLYING HAZARD FROM PROPOSED CANADIAN NATIONAL TELECOMMUNICATIONS SPIRE, TORONTO—REQUEST FOR STUDY

Mr. Derek Blackburn (Brant): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that neither the Canadian Owners and Pilots' Association nor the Canadian Airline Pilots' Association was consulted with regard to the hazardous aspects of the Canadian National Railways 1,800 foot telecommunications tower in Toronto, will the minister assure the House that an in-depth study with respect to flying hazards will be carried out in conjunction with the two organizations mentioned before any further planning is done?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we have taken all necessary precautions concerning air safety in the area of Toronto. We are confident that standards have been respected, but in view of the importance of the problem I am prepared to review this question and consult with all interested parties, particularly the pilots' associations.

* * *

[*English*]

FINANCE

ROYAL BANK'S BONUS TO PERSONS TAKING LOANS—MINISTER'S POSITION—EFFECT ON SMALL BUSINESS LOANS

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. Has the minister contacted the Royal Bank of Canada to object to their latest advertising gimmick whereby a cash bonus of $25 is given to persons who are willing to mortgage their future to some prescribed extent?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker, but I will pass on the hon. gentleman's remarks to the Royal Bank.

Mr. Hellyer: While the minister is passing on these remarks and encouraging the bank not to continue with this sort of gimmickry, perhaps he might inquire to what extent loans being pushed in that direction might affect loans available to small business?

ALLEGED INDICATION OF TIGHT MONEY POLICY BY BANK OF CANADA—MEASURES TO OFFSET RESTRICTION OF CREDIT

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Finance. In view of the fact the governor of the Bank of Canada seems to be heading us into a tight money situation which would run contrary to the minister's expansionary policy, I want to ask the minister, apart from his conversation with the governor, what specific action he intends to take at this time when DREE policies are under review to bring in specific measures to offset restriction of credit which would have such disastrous consequences in the slow growth regions of the country?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there is no tight money policy and the demand for loans is heavy enough that the banks and the Bank of Canada do not anticipate any lessening of the demand or acquiesence in credit. As for the slow growth areas, I tried to answer the hon. member's colleague in specific terms. If the answer did not satisfy him, I would be glad to take a supplementary at a later date.

TARIFF REDUCTIONS ON AUTOMOBILE TIRES—REQUEST FOR ASSURANCE NO FURTHER REDUCTIONS CONTEMPLATED

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that tariff reductions on automobile tires could lead to the phasing out of marginal second line tire production in Canada, thereby causing unemployment in this $365 million industry, are further tariff reductions being considered beyond the 5 per cent proposed recently, especially in view of the increase in countervailing tariffs by the United States on Michelin tires?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if there were any further moves to be made in the tariff field, of course, they would be announced in the House, but I can assure the hon. gentleman that no further action is contemplated at this time.

* * *

NATIONAL DEFENCE

POSSIBLE POSTING OF HMCS "KOOTENAY" TO SOUTHEAST ASIAN WATERS—SUGGESTED SENDING OF OTHER TYPES OF VESSELS

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is supplementary to the first question to the Minister of National Defence and relates to his announcement that the HMCS *Kootenay* would be sent to Southeast Asian waters to relieve the *Terra Nova.* Is any consideration being given to sending a ship similar to the HMCS *Preserver* or the HMCS *Protector* in order that there might be some passenger carrying ability connected with those vessels that will be operating in those waters, particularly after the events of Saturday?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, if I may correct the question in this way, we did not announce that the *Kootenay* would be going; we asked the *Kootenay* crew to stand by and be prepared to leave if necessary. The *Terra Nova* will be there until the end of May. No consideration has been given to other ships because in fact that would not be necessary. The *Terra Nova* or the *Kootenay* could carry all of our personnel in Viet Nam.

Oral Questions

GRAIN

POSSIBLE TRANSFER OF WHEAT BOARD TO DEPARTMENT OF AGRICULTURE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I ask the Minister of Agriculture, in view of his answer in committee the other day that he would welcome the transfer of the Canadian Wheat Board from its present position under the Minister of Justice to the Department of Agriculture, whether he can tell the House if he contemplates this transfer taking place in the near future?

[*Translation*]

Mr. Speaker: I recognize the hon. member for Bellechasse.

Mr. Adrien Lambert (Bellechasse): Thank you, Mr. Speaker.

Mr. Speaker: I apologize to the hon. member.

[*English*]

Order, please. The hon. member for Saskatoon-Biggar apparently has a supplementary.

Mr. Gleave: Mr. Speaker, may I direct a question to the minister in charge of the Wheat Board. Would he tell the House if he is willing to relinquish his duties as minister in charge of the Wheat Board in view of his reported ambition to be leader of the Liberal party?

Mr. Speaker: Order, please.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—DISCUSSION WITH QUEBEC TO ENSURE THAT PRODUCERS BENEFIT FROM INCREASED PRICE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

As a result of the statement which he made in the House on March 29, announcing a possible increase in the price of manufacturing milk of 60 cents per hundred pounds, will the minister take the necessary steps to obtain the assurance from his Quebec counterpart that the producers will get the full 60 cents or as in the past, will the increase be frittered away without the producers being a position to take full advantage of it?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are discussing the whole program in detail and if changes have to be made it will be within our realm or within the realm of working very closely with the provincial people that we will make that change, but only with that co-operation.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary.

[Mr. Richardson.]

Could the hon. minister tell the House whether, before the announcement made on March 29, he had had discussions with his Quebec opposite number, or else with officials of the Quebec Marketing Board?

[*English*]

Mr. Whelan: Yes, Mr. Speaker, the officials were in touch.

* * *

AIR TRANSPORT

CUSTOMS PRECLEARANCE—GOVERNMENT POSITION

Mr. Don Blenkarn (Peel South): Mr. Speaker, I have a question for the Minister of Transport. Is it the policy of the government to gradually phase out precustoms clearance for passengers going to the United States from our airports?

Mr. Speaker: Order, please. I have the impression that the question has been asked before but if I am wrong the minister could reply. Perhaps he has additional information for the House.

Hon. Jean Marchand (Minister of Transport): I am afraid, Mr. Speaker, that the answer is the same as last week. This is something we are discussing with the United States, not only preclearance but international routes. We have been in negotiation with the United States for four years, so we hope that we are going to solve all these problems together.

* * *

PUBLIC SERVICE

ALLEGED RECRUITMENT ABROAD OF PROFESSIONAL PEOPLE—GOVERNMENT POSITION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, my question is to the President of the President of the Treasury Board. Considering the present high levels of unemployment, especially amongst those under 24 years of age in this country, and the number of university graduates and other professionally trained persons who are having difficulty finding suitable employment, is it now the policy of the government and the Public Service Commission to go outside Canada for clerical, junior career, and professional people and have they in fact abandoned the policy of hiring Canadians first and, second, landed immigrants?

• (1530)

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, they have not abandoned the policy of hiring Canadians first. I would be surprised if the Public Service Commission were to endeavour to recruit outside of Canada for jobs to be performed in Canada. Understandably, I think, there would be some effort abroad to recruit locally for jobs to be performed locally, abroad, on a continuing basis.

Mr. Dick: Mr. Speaker, I draw to the attention of the minister—

Mr. Speaker: Order, please. Will the hon. member please resume his seat. Unless the hon. member rises on a point of order or question of privilege, which I hope he will not do, he may only ask a question and not draw to the attention of the minister or the government a situation or alleged facts. The hon. member is recognized for a supplementary.

Mr. Dick: Is the minister aware that an advertisement was carried in *The Economist* in England on March 19 asking for junior financial and accounting people, who are to be paid $11,000, to be transferred to Canada to serve across Canada?

Mr. Drury: No, Mr. Speaker. I would be interested in seeing that.

* * *

AGRICULTURE

ALLEGED IMPORTATION OF CATTLE CONTAINING DIETHYLSTILBESTROL—GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is addressed to the Minister of Consumer and Corporate Affairs. In view of reports that American beef cattle now being sold in Canada have been finished with the hormone fattening agent known as diethylstilbestrol, which has been banned in Canada because it is suspected of possibly inducing cancer in humans, can the minister say whether he has contemplated recommending that cattle implanted with this agent be banned for sale in Canada?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would be happy to consult on this matter with the Minister of National Health and Welfare and the Minister of Agriculture. I think the Minister of Agriculture may have some further information on this, if he may be permitted to add to my answer.

Mr. Nystrom: Mr. Speaker, may I direct my question to that minister.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the impression is that cattle in Canada do not contain any DES. This is not true, because if farmers quit using DES when the sale of DES was banned the last use would have been at the end of December and it will not have worn off until the end of April. So, Canadian cattle still contain some DES and American cattle still contain DES. However, only 50 per cent of American cattle are implanted with DES, so that it is very hard to tell. We are running 30 checks a week on testing beef products to find if there is a carry-over of DES, and there is a carry-over of DES in all beef cattle.

DRUGS

ALLEGED CONFLICT BETWEEN DEPARTMENTAL REPORT AND LE DAIN COMMISSION REPORT ON NUMBER OF DRUGS USERS

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of National Health and Welfare. One week ago Friday the minister released his department's report on drugs which showed there were approximately 7,000 people on heroin and approximately 45,000 on cannabis. As the Le Dain commission report shows that there are roughly 900,000 in this country who have used cannabis and that there are approximately 15,000 on heroin, which report are the people of this country to look upon as being credible.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am sorry, but I missed the last part of the question. Would the hon. member repeat the last part.

Mr. Reynolds: Which report is the official report, or which report should the people of Canada look upon as being the credible report?

Mr. Lalonde: Mr. Speaker, of course the report from my department.

Mr. Reynolds: Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member on a supplementary, but I hope there will not be too many supplementaries so that we can give an opportunity to as many members as possible to participate in the question period.

Mr. Reynolds: Mr. Speaker, since the report of the minister is more credible, is the minister now saying that all the money spent on the LeDain commission, all those millions and millions of dollars, was a total waste?

Mr. Speaker: Order, please. That supplementary, of course, is out of order.

* * *

[*Translation*]

HOUSE OF COMMONS

POSSIBLE PROVISION OF SECRETARIES FOR MEMBERS IN CONSTITUENCIES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a serious and urgent question for the right hon. Prime Minister.

In view of the substantial increase of our work in our respective ridings, is the government giving consideration to following the lead of the province of Quebec in giving all hon. members the facilities of secretarial services in their respective ridings?

Right Hon. P. E. Trudeau (Prime Minister): That is a matter, Mr. Speaker, which is being actively considered in the Cabinet and if there is anything to announce in that regard, we will make a statement in the House.

Oral Questions

[*English*]

ADMINISTRATION OF JUSTICE

SUGGESTED CHANGES IN BAIL REFORM ACT—GOVERNMENT POSITION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I am sorry for the inconvenience being caused by the microphone system. My question is directed to the Minister of Justice. On March 21, the minister stated that he had received few if any complaints about the way the new Bail Act was working, not even from authorities in Ontario, and therefore would make no substantial changes in the bail law. In light of the fact that the wives of Toronto policemen have collected more than 149,000 names on petitions which urge reforms not only in the Bail Reform Act but call for more control and for capital punishment, is the minister now satisfied that there is an abundance of complaints regarding this matter? Will he, therefore, reconsider his position and tell this House what changes, if any, he is considering making in the Bail Reform Act? If no changes are being considered, why are they not?

Mr. Speaker: Order, please. A question asked in those terms cannot be in order. The hon. member, to be brief, is inviting the minister to make a general statement which ought to be made on motions. However, the minister might be allowed to reply briefly to the hon. member's question, after which I will recognize the hon. member for Edmonton Centre.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as I have indicated many times, we are interested in looking at constructive proposals for change, and we certainly do so. I have had an exchange of correspondence with all the Attorneys General and, basically, have found that they too agree that the new law is working much better in protecting the liberties of individual citizens. There is a great deal of misunderstanding about how the new law and the old law differ, and I am afraid that many of the complaints ignore the fact that nothing—

Mr. Speaker: Order, please.

* * *

ENERGY

COAL—POSSIBLE SHORTAGE IN UNITED STATES AND EMBARGO ON SHIPMENTS TO CANADA—GOVERNMENT ACTION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the claim by United States coal firms that their reserves are depleting at a much more accelerated pace than previously expected and that an embargo on shipment to Canada may be necessary to protect their home consumption, may I ask the minister if he is aware of this? If so, what action does the government plan if the United States should slap an embargo upon shipments of coal to Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have under study measures which would, we hope, make it possible for western Canadian Rocky Mountain coal to penetrate the central Canadian market. There have already been a number of experimental shipments. We will be carrying on discussions on this matter, particularly with the ministers involved in each of the two provinces affected.

* * *

CANADIAN BROADCASTING CORPORATION

GOVERNMENT POSITION ON PLAN TO EXTEND COVERAGE IN NORTHERN AREAS

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I wish to address my question to the minister responsible for the Canadian Broadcasting Corporation. In view of the fact the CBC has indicated that its extended coverage plan, the purpose of which is to bring television service to areas of the north not at present served by television, would be completed by March 26, 1973, and presented to cabinet, may I ask if this plan has been presented to cabinet and, if it has been, what was the cabinet's decision?

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, my hon. friend's question is extremely interesting. I shall waste no time in transmitting it to the Secretary of State who will give it an appropriate answer as soon as possible.

* * *

[*English*]

SUPPLY AND SERVICES

IMPLEMENTATION OF TAX REDUCTIONS ON APRIL PAY CHEQUES

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Supply and Services. In view of the fact that the income tax changes and basic exemptions are still before the House, can the minister indicate whether he has sent an official memorandum to personnel under his direction advising them officially that the reductions in income tax will take place on their April cheques?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): That is correct, Mr. Speaker.

[*English*]

Mr. Lundrigan: Mr. Speaker, may I table the letter?

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Lethbridge, and then we will call orders of the day.

NATIONAL PARKS

PERPETUAL LEASES—ACTION TO REINSTATE THOSE TERMINATED

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Two years ago the Supreme Court of Canada ruled that perpetual leases in national parks were valid and could not be altered. Why, then, has the government not instituted proceedings to reinstate those perpetual leases which were terminated?

Mr. Speaker: Order, please. I doubt if a question asked in those terms is in order. The minister may reply briefly, after which we will call orders of the day.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are now studying this problem. We have already taken certain steps with regard to the new leases which expire and are studied again by the government. The whole question is now under review and I do not know exactly when we will be able to make a decision with regard to the leases which were renegotiated a few years ago.

* * *

[*English*]

SUPPLY AND SERVICES

IMPLEMENTATION OF TAX REDUCTIONS ON APRIL PAY CHEQUES

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I rise on a point of order. When the answer from the Minister of Supply and Services reached me, it sounded as if the minister said he would take the question as notice. I have been advised by some of my colleagues that the answer was something different. I wonder whether it would be possible for the minister to clarify this very important matter.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I have in fact signed a letter to that effect which has been sent to all employees of the federal government.

[*English*]

Mr. Lundrigan: That is fine, Mr. Speaker. I understood the minister this time. I now rise on a question of privilege. In view of the fact there was no translation system, I would have thought the minister would have had some respect for my Irish background and answered in English. Be that as it may, I want to bring to the attention of hon. members something which I consider to be of very substantial importance. We have before us a bill which has to do with the basic income tax exemption proposed by the Minister of Finance in February.

I have in my hand a copy of a letter which was sent to the minister's officials. It indicates that the deductions from the April cheques will be along the lines proposed by the Minister of Finance. If this move had been made by a company, corporation or anyone outside of the government, it would be understood to mean something, namely, anticipating the behaviour of parliament. Out of respect for the Minister of Supply and Services, I will not use the word arrogant, but I certainly consider it to be an affront to parliament when a member of the Privy Council circulates a document through his office indicating that changes will take plece. In doing so, he is anticipating the behaviour of parliament. The minister did not indicate that there might be a change in the basic exemption or that there would possibly be a change. The minister, himself, decided that there will be deductions from the April cheques along the lines proposed by the Minister of Finance.

Despite the fact that we welcome the proposed change, and hopefully it will be in effect before the end of April, I consider the minister's actions to be completely out of order. I think the minister owes this House an apology. It is an affront to parliament. The minister should have a little more respect for this House of Commons.

Some hon. Members: Hear, hear!

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Friday, April 6, consideration in committee of Bill C-170, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mr. McCleave in the chair.

The Chairman: Order, please. The House again in committee of the whole on Bill C-170, to amend the statute law relating to income tax. The discussion will commence with clause 1 of Part I.

On Clause 1.

Mr. Lambert (Edmonton West): Mr. Chairman, 18 months after the beginning of the discussion on Bill C-259, we find ourselves in a very interesting situation. We have a bill before us that is about one seventh as big as the previous one. However, it introduces many amendments. I hope that members on the government side have not accepted these on blind trust because Bill C-259, which was accepted on blind trust, was shown to be terribly deficient. I want to make a couple of observations on clause 1 because of what I said on Thursday last about the complexity of this bill and the difficulty in dealing with it in detail as we should.

I know that hon. members, as well as the media, shun an income tax bill like the plague. They do not want to put their hands near it. In fact, many do not even want to hear of it. They are afraid it is contaminated. I think hon. members will recall the bitter experience when we were dealing with Bill C-259. The difficulty lies in comparing the bill as presented with the ways and means motion. That in itself, is a complicated procedure. We then have to mesh the bill with the Income Tax Act so that it makes

some sense and can be understood. I am the first to admit that in the time that has elapsed since we have had the bill, it has not been possible to get all the homework done. Therefore, my questions to the minister will be of an exploratory nature. I trust that he is thoroughly versed in the provisions of the act and the amendments. It would have been much more convenient to have had a private briefing session around the committee table. It would have been possible to examine these proposals. I intend tp proceed on this basis and I hope that the minister will have the answers. I would like to see this bill cleaned up as quickly as possible.

I wish to draw to the minister's attention a letter which I received from a young man attending university. He filed his income tax teturn many weeks ago. There is owing to him approximately $240. The last instalment on his university dues is $134 and he only has $6 in the bank. His parents filed their income tax return some weeks after he did. They received the refund to which they are entitled. However, because he availed himself of a provision in the Income Tax Act as outlined in the budget last May and which the government delayed bringing forward until last week, he has not been able to get his money. This student would like to know whether the Minister of Finance is prepared to intercede with the university authorities on his bahalf. He has not been in a position to pay his dues because of the $240 that was extracted from him in excess of what should have been. He does not yet have his refund and he is not in a position to pay. I am sure that this situation is repeated in hundreds and thousands of cases.

• (1550)

I want to re-emphasize the major complaint I have made about the delay in implementing these provisions of the act. All this could have been done last December. There is no excuse. The legislation was ready. The motions had been presented to the House, and Bill C-222 had actually been presented in June of last year. As to the procedure to be followed today, I am not yet sure whether it will be preferable for our discussion to go forward clause by clause or not. I am disposed to think so at the present time, though later, possibly, on re-examination, it might appear there would be a better grouping allowing us to discuss several items en bloc. Here again, there was not much time available in which to determine what the best course would be. All of us, I think, would have appreciated it had there been more time available between the presentation of the bill and its detailed study so that those who are recognized to be tax authorities and commentators could have made their professional and impartial views known in connection with the effect of these provisions. Views of such experts as CCH and DeBoo's would have been an invaluable service to the committee had they been given an opportunity to make their comments.

I recall that in late September and in early October, 1971, when we were discussing the subject matter of the first clause of this bill which involves the determination of what is income, we were considering the definition of a new aspect of income, that is the benefit conferred on taxpayers who have automobiles placed at their disposal. In cases where a company owns vehicles and a car is made available to the president or any of the company's

[Mr. Lambert (Edmonton West).]

officers or employees to use for their own purposes, the question arises as to the value of that benefit to the individual taxpayer. This provision is causing concern to a great many people who have hitherto been able to incorporate into what one might call the total package of their jobs, the advantage of the use of such a vehicle. It was a new provision and we have seen that difficulties arise in its implementation. I notice the minister has made the amendment retroactive to January 1, 1972. It is a question of what is a reasonable standby charge on a vehicle, what is the valuation under lease. The effect of the amendment here is to adjust for automobile insurance as against the value of the vehicle on the basis of a lease.

Clause 1 subsection (2) deals with the assessment made on an automobile salesman who is allotted a demonstrator for his own use. It has brought forth a great number of anguished cries, since a fair assessment is very difficult to determine. I notice that the minister has reduced the basis of the charge from one per cent to three-quarters of one per cent or the net average cost of the vehicles which have flowed through the inventory of a distributor. Mind you, Mr. Chairman, I would think that a salesman in a large agency who concentrated on compact models might feel unhappy in finding attributed to him a charge based upon consideration of cars of the Cadillac or Lincoln class. Perhaps experience will show what variation ought to be provided in such cases. In any event, in many automobile agencies the man who sells the Vegas does not sell Cadillacs and he might well have cause for complaint if he drives a Vega all the time and is charged Cadillac rates in whole or in part.

My general remarks have to do with the handling of the bill at the present time. It will be interesting to see how many hon. members take part in this discussion. I see that some members who used to sit on the Finance Committee have now assumed different responsibilities and it occurs to me they are likely to prove discreetly silent. I wonder whether some of those who, in the past, thought the bill was so good are now considering whether they ought to come forward and suggest improvements. Income tax is so horribly complicated that we are bound to make an attempt to put some of these requirements into the best possible layman's language. I shall have further observations to make in the course of our discussion during which I shall point out some of the horrible complexities into which we have gotten ourselves. They almost defy description. I have in mind particularly the effect of the interaction of three or four of the clauses in the bill before us.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I should like to reply to one of the questions which was raised by the hon. member for Edmonton West during the debate on second reading. He wanted to see some comparison of the bill with the ways and means motion. I would be glad to follow his wishes, because I believe it would be useful to do so in the context of our discussion of the bill in committee.

The documents which were tabled in the House on March 29, 1973 were notices of the ways and means motion amending the Income Tax Act and the income tax application rules by providing, among other things, certain specific measures. The phrase "among other things"

is included to allow, for instance, for the precise problem raised by the hon. member for Edmonton West and, within reasonable limits, I suggest the rules do allow for the inclusion of new items, particularly if they do not involve major matters of policy or increases in the tax burden. I am willing to submit this material either by tabling it or as part of my remarks, or, as the hon. member suggests, by making it an appendix to *Hansard*, with the consent of the committee.

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): I take it I have consent.

There are, in total, 39 clauses or subclauses in question. Of these, 15 might be considered consequential. Eight of the clauses are corrections to the French version of Bill C-259, the earlier tax reform bill. The remaining 16 clauses are technical changes involving no alteration in policy. Virtually all of them are relieving in their effect. A number of the clauses are intended to clarify the operation of particular sections of the act or of the application of rules. In a few instances it has become apparent that a particular section or subsection is redundant. Therefore, the bill proposes to eliminate it. For example, I refer to clauses 2 and 70(1). In another case, clause 82, there is an extension of the filing date for an election to be treated as a public corporation. In some cases obvious anomalies of a purely technical nature are corrected: for instance, clauses 3, 5 9(1), 21 and 89.

• (1600)

In a sense, most of these 16 clauses or subclauses can be said to be consequential amendments, except that they are not consequential upon the amendments proposed in the ways and means motions of March 29, 1973; rather they are consequential upon the provisions of the Income Tax Act and the income tax application rules themselves. These 39 clauses or subclauses were not mentioned in the ways and means motions because they were of a purely technical dimension and do not involve any important changes in policy nor any significant change from the existing act. I wanted to clarify that for the committee in view of the point raised on second reading by the hon. member for Edmonton West.

As to this particular clause—

Mr. Baldwin: Mr. Chairman, may I put a question on that to the minister? Could he tell the committee, either now or later, how many of these amendments in the bill constitute an attempt by the government to comply with the statement made by the former minister of finance to the Senate committee? The minister will recall that when Bill C-259 was in its final stages in the other place, in order to accelerate passage of the bill through the other place the then minister of finance appeared before the Senate committee and admitted that Bill C-259 did require a number of very important changes, both remedial and mechanical. Indeed, the minister will know from the experience of the government that there were certain defects in that bill which we drew to the attention of the House, and this was followed by this admission made to the Senate. The minister of finance at that time said that these changes would be made and would be brought forward "next spring", meaning the spring of 1972. Therefore, may I ask him whether Bill C-170 is, to any extent, the implementation by the government of the promises the former minister made in the other place?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I would be glad to give the committee a precise list. I am advised that, to the best of our knowledge, we have fulfilled all the commitments made by my predecessor in the other place, but I shall be glad to furnish further details to the committee.

The Chairman: Before discussion continues, may I ask the minister whether the analysis of clauses which was sent to the Chair is the material to be printed as an appendix to today's proceedings?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think that was the general feeling of the committee.

The Chairman: Then that can be done when Mr. Speaker is back in the Chair.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, as to the specific clause before the committee, this amendment makes a relieving change to the provision of the act that deals with determination of the reasonable stand-by charge for the use of an automobile in cases where an employee is furnished with an automobile for personal use by his employer. Relief goes primarily to salesmen in automobile dealerships and there is also some change to the wording for sake of clarity. The hon. member for Edmonton West had the general sense of it.

Mr. Ritchie: Mr. Chairman, may I just ask the minister a question. Every car would carry a different charge, depending on its make and value. As most of the automobile dealers have suggested, their accounting departments would have obviously an impossible task in view of the number of different prices. The price would differ monthly or even daily, since a salesman could have a different car every week or month.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I believe this does meet the problem that the automobile dealers put to us. The salesman has the option of taking three-quarters of the actual charge or of taking three-quarters of the averaging of all the demonstrators in the dealership. Depending on the accounting facilities of the employer, he can now do it either way.

Clause agreed to.

On clause 2.

Mr. Lambert (Edmonton West): Mr. Chairman, I have a note on this particular clause. If one traces through the effect of the amendment to see what it means, one is taken to section 12 of the act, first of all. This amendment goes to subparagraph 12(1)(e)(ii) and all that is being dropped is a reference to subsection 20(7). Section 12 deals with amounts to be included in income from business or property. This amendment removes subsection 20(7), which in itself is a listing of reserves to be included in income. We then go to section 20, and the chief heading is "deductions permitted in computing income from business or property".

So, first of all, we have reference to amounts included in income from business or property, and then there is a reference to the deductions permitted in computing income from business or property. What we are chopping off from the first reference is an exception to deductions. We are removing that reference to subsection 20(7), which must mean that this is a tidying up process, as mentioned by the minister, in the list of 39 clauses of Bill C-170 that are not included in the ways and means motion. The reason I have taken so long to draw this to the attention of the committee is that the act is so complicated. I cannot overemphasize the care that one has to exercise in examining all of these particular provisions because they have cross-references. But in short, why the change?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, as the hon. gentleman realizes, this is a technical amendment. It will delete reference to subsection 20(7) presently in subparagraph 12(1)(e)(ii). The reference to subsection 20(7) is redundant since it is previously mentioned in subparagraph 12(1)(e)(i). It is just a redundancy that we are eliminating without any policy consequences.

Clause agreed to.

On clause 3—*Obligation issued at discount.*

Mr. Lambert (Edmonton West): Mr. Chairman, May I ask the minister why the change? Is it merely an error? I recall that Bill C-259 had the date June 17 or June 18, and this was the wrong day. Is that all it is?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Chairman. This is another technical amendment to ensure that bonds and other obligations issued on June 18, 1971, the date of the former budget, are covered by this subsection. This date was inadvertently missed in the existing provisions.

Clause agreed to.

On clause 4.

Mr. Lambert (Edmonton West): Mr. Chairman, I think I should make it clear at this point that you had better keep looking down my way when you call clauses since I have many questions to ask. At some point we must have an explanation on the record from the minister of every change that we are making. There need not be a long elaboration, but I think that both the House and the general public are entitled to know why these changes are being made in the act. There is no other way for the public to be acquainted with these problems. Those reasons may be commented on by outsiders at some later date. However, this is the only way we will have an Income Tax Act which makes any sense.

• (1610)

Mr. Turner (Ottawa-Carleton): I am agreeable to that procedure, Sir, but I would intend to follow it with the understanding of the committee that I give a brief explanation of every clause as we come to it. If members of the committee are not satisfied with the explanation or wish a further explanation I will rise again. I might say that the hon. member for Edmonton West knows that whatever I say is not binding on the court in any event. It will be the wording of the clause which counts. I mean my words will not be binding on the court in respect of a determination of the meaning of a particular section or subsection. Subsection 18(4) of the present act provides that where a corporation's debt equity ratio exceeds three to one, that is to say where the ratio of debt to equity is larger than three to one in terms of dollar value, the excess debt will be regarded as equity and an appropriate part of the interest will be treated as a non-deductible expense.

This is the thin capitalization rule, and is used to prevent corporations so arranging their financial affairs that they artificially arrange their debt-equity ratio so as to have a good deal of their equity in debt and deduct the interest on it rather than have it as a non-deductible expense. Paragraph 18(4)(a)(ii) requires the equity portion of the formula to be calculated at the beginning of a corporation's taxation year. This creates a hardship for newly incorporated and expanding corporations. The amendment, in effect, permits the taxpayer to determine the equity by reference to the paid-up capital at either the beginning or end of the year. This is primarily a benefit to smaller companies which would not want to duplicate their accounting unnecessarily.

Mr. Lambert (Edmonton West): Mr. Chairman, I am just wondering whether the insistence by the government on this debt-equity ratio is not going to work a much greater hardship on small businesses and those just starting-out. I am not worried about the bigger established corporations. I am wondering, in this so-called neutrality approach to the act, what the effect will be. I have known many companies in the past which had perhaps $50,000 worth of assets. Two or three individuals would decide to incorporate the business. They would be in partnership and would have anywhere from $25,000 to $50,000. There is no question that this many shares will be issued as their contributions and that they are going to issue the necessary shares to themselves for the carrying on and establishment of a corporate entity because this very definitely, shall we say, affects their future operations with regard to the shares.

In setting up an obligation by the company to the individual shareholders concerning their major contribution, frankly I would suggest to the minister that he is being overly severe on small business. Whether it is at the beginning of the fiscal year or at the end matters little insofar as these businesses are concerned. I think what the minister is forgetting is that interest is being charged to the company expense account. If the business should be a small business, likely it is being taxed at the lower rate. Remember that as soon as it is charged up to the company's account, it is deemed to have been received by the shareholder whose marginal rate quite conceivably may be considerably higher. Therefore, why limit the structure to Canadian business if there is no way that the public is being cheated, since these are private companies. Why make it so difficult?

I am looking also at certain provisions which did exist in the province of Alberta of no-share qualifications for directors. Where there is a very small issue of shares, maybe three or five, for small businesses, why have this insistence on that particular rule? This is where I think the minister is doing a disservice to the smaller and newer businesses.

Mr. Turner (Ottawa-Carleton): I may have misled the hon. member. Primarily, of course, this is to apply to foreign-owned corporations so that they cannot artificially arrange their capital and debt structure to lower income by way of deductible interest against debt and in effect manage to distribute that equity dividend back over the border or back to wherever the parent is. That is the purpose of the thin capitalization rule. It really has application only to foreign-owned corporations.

Mr. Lambert (Edmonton West): In what way does the minister suggest it has application? Surely, the statement in the act catches all corporations?

Mr. Turner (Ottawa-Carleton): I am advised not, Mr. Chairman.

The Chairman: Shall clause 4 carry?

Clause agreed to.

On clause 5.

The Chairman: Shall clause 5 carry?

Mr. Lambert (Edmonton West): Wait a minute, Mr. Chairman. I raised a question as to whether this provision relates to a domestic corporation. Section 18(4) states:

> Notwithstanding any other provision of this Act, in computing the income for a taxation year of a corporation resident in Canada from a business or property, no deduction shall be made in respect of that proportion of any amount otherwise deductible in computing its income for the year in respect of interest paid or payable by it on outstanding debts to specified non-residents that

I see that it states "to specified non-residents".

Mr. Turner (Ottawa-Carleton): Yes.

Mr. Lambert (Edmonton West): All right. I will take it within limits. But, can the minister say if it was felt there had been an abuse or if an abuse had been suggested? What proportion of companies does he think this affects, and is there any feeling that it materially affects the structure of those companies that he purports to catch with this section?

Mr. Turner (Ottawa-Carleton): Well, we had some difficulty in this regard, but it was felt at the time of the tax reform that there had been some abuse and the thin capitalization rule was to meet it. We are now rendering the rule not more flexible in substance but only in accounting date.

The Chairman: The hon. member for Yorkton-Melville. This is on clause 5.

Mr. Nystrom: I would like to ask whether there had been a previous rule here relating to debt equity or whether this is the first one.

Mr. Turner (Ottawa-Carleton): This rule was enacted by my predecessor and came into effect on January 1, 1972.

The Chairman: Shall clause 5 carry?

Mr. Turner (Ottawa-Carleton): I am not getting up because I like to do so, Mr. Chairman, but because the committee feels I should give a brief explanation of every clause.

The Chairman: Is the minister referring to clause 5 or clause 6?

Mr. Turner (Ottawa-Carleton): Clause 5, Sir. This is a technical amendment which was necessary in order to ensure that the amount paid with regard to principal payments in any preceding year is taken into account in determining the amount of reduction made in the current year. Paragraph 20(1)(f) of the act provides that when payments in respect of principal made in previous years exceed the amount for which the obligation was issued the excess is deductible.

The Chairman: Shall clause 5 carry?

Clause agreed to.

On clause 6—*Farming business.*

Mr. Turner (Ottawa-Carleton): I wonder if I might follow the procedure agreed upon. This is an important relieving provision concerning farm animals. It permits farmers to value their inventory of livestock, other than animals included in the basic herd, at any amount at fair market value even though they are reporting income on a cash basis.

• (1620)

Section 28(1) allows farmers to use the cash basis method under which an amount is included in income only when received and an expense is deducted only when paid. The new paragraph (b) of section 28(1) permits farmers to adjust their income otherwise computed under the cash basis method with the amount of inventory of livestock valued at a flexible amount from nil to the fair market value of livestock. This amendment responds to the fact that in the early years of establishing a herd on a farm expenses often far exceed income, and neither the five-year averaging nor the loss carry-over provision can fully absorb the loss in herd. The use of this flexible inventory system will provide the farmer with another way to average his income.

Mr. Gleave: Mr. Chairman, I would like some clarification now. As I understand the clause and the minister's remarks, this would mean in effect that a rancher could keep taking cattle into the herd and he would be, in effect, depreciating the total value of the animal as it was put into the herd. He could claim the value of the animal as a total expense. Am I correct?

Mr. Turner (Ottawa-Carleton): No, Mr. Chairman. This provision does not apply to the basic herd situation at all. It applies to animals other than a basic herd.

Mr. Gleave: Perhaps I should not have used the term. This means, then, that the farmer may retain animals in the herd and claim them as a total expense as they are retained, that is as a charge against his year's operation. Is that correct?

Mr. Turner (Ottawa-Carleton): The hon. gentleman should not confuse the animals that are treated separately outside of the herd, with which this clause deals, and the basic herd where other provisions pertain. In referring to

a herd situation, he is putting himself outside the context of this amendment.

Mr. Gleave: What does this mean in effect? It says here that farmers may declare that they have kept animals. Let us get back to the start. As I read the clause, the farmer can declare the value of an animal without having sold it. Am I correct, or does this only apply to the selling side and not to the income side?

Mr. Turner (Ottawa-Carleton): He can value his livestock other than the basic herd as a going inventory.

Mr. Gleave: Going into the herd? As he takes them in?

Mr. Turner (Ottawa-Carleton): This is an entirely different situation. This does not apply to animals going into a herd or coming out of a herd. This applies just to livestock, other than animals treated by farmers as part of their basic herds. So, the basic herd provision is not applicable here.

Mr. Gleave: Mr. Chairman, I still have some questions to put to the minister.

The Chairman: I will recognize the hon. member for Saskatoon-Biggar in a moment, but it seems to me he has asked the same question several times, and perhaps with an opportunity to consult the minister or his officials that difficulty could be resolved. Perhaps we can stand the clause until it is resolved. I do not want to hasten the committee but I think we cannot really have repetition of one question. We should try to avoid it.

Mr. Ritchie: Mr. Chairman, I would like to ask the minister a question. Can some farmers who have retained the basic herd also use this?

Mr. Turner (Ottawa-Carleton): Yes, indeed, for animals that are not part of the herd.

Mr. Ritchie: Say a farmer has 20 head of cattle and increased this number by the addition of five head of cattle which have a certain value. Let us assume they are valued at $300 each. Does he declare an income of $1,500 for these five animals with which he has increased his herd from 20 to 25?

Mr. Turner (Ottawa-Carleton): If he is increasing the herd from 20 to 25 head of cattle, he comes within the basic herd provisions. If he elects to treat some animals in a different way, as livestock other than the basic herd, then the inventory calculation in this section applies.

Mr. Ritchie: It was my understanding that this provision would not apply to farmers who establish the basic herd after the provisions of the Income Tax Act came into effect, only those who already held the basic herd previously.

Mr. Turner (Ottawa-Carleton): That is right.

Mr. Ritchie: Therefore, we have to assume that on these five animals the farmer would declare an income of $1,500 although he did not have the cash but only animals worth $1,500. He would declare this as income for the year as well as what he sold.

[Mr. Turner (Ottawa-Carleton).]

Mr. Turner (Ottawa-Carleton): Yes, he can value those, according to the meaning of this amendment, anywhere between zero and the fair market value of those five animals.

Mr. Ritchie: I would like to ask a question. Let us say the market value of the 20 animals is a certain amount one year. The next year the farmer has 25 animals but their market value has gone down although he has far more animals. Is he deemed to have any income that year? He does not assume any income.

Mr. Turner (Ottawa-Carleton): As I understand it, he can revalue every year.

Mr. Lambert (Edmonton West): Mr. Chairman—

Mr. Gleave: I rise on a point of order, Mr. Chairman.

Mr. Lambert (Edmonton West): I am on the same one. As I take it, the minister's explanation of this matter is that if a farmer had no basic herd or if these animals are supernumerary to the basic herd, they are inventory on which tax will be paid because they are taken into the income in that taxation year, and although they are sold the following year those receipts do not become income in the subsequent year, the same way as accounts receivable of the professional such as the doctor or the lawyer who has billed his patient and takes his account, although not collected, into his income and pays tax on it. Be that as it may, it would make it rather difficult, I think.

I am not too sure that there is an option here. Yes, I see there is an option if the taxpayer so elects. Once having elected, does it mean it is his option or choice depending on valuation, and therefore there is a degree of flexibility? Let us assume that we are in this year when animal prices are very high on the market. At the end of the taxation year prices will be at the same level and therefore this will tend to increase the farmer taxpayer's income. He may find himself in a higher tax bracket. The animals that he has now may be sold only some time next year when the market price may have dropped 25 per cent. Then, he will have paid income tax on what is more than the fair market value on the sale of his animals. Is there provision for readjustment between the actual realization and the valuation that the farmer puts on an animal this year at fair market value, or will the taxpayer be committed?

Mr. Turner (Ottawa-Carleton): No, Mr. Chairman.

Mr. Lambert (Edmonton West): Is my simile correct?

Mr. Turner (Ottawa-Carleton): Yes, the hon. member's simile is correct and valuation can be made year by year. He is not held by his previous valuation. The problem is to allow a flexible inventory valuation so that he, in effect, can allocate losses in a future year against an inventory built up, if he chooses.

• (1630)

Mr. Gleave: Mr. Chairman, over a period of time the farmer or rancher could continually build up his cattle herd. I am not referring to the basic herd. I am sorry that came into the discussion, because I very well understand that the basic herd provision was eliminated except for

those people who already had such a herd. Now, nobody can start a basic herd. But the farmer or rancher, as I understand it, can still build up and expand his herd. With each animal that he retains he can declare it as an expense and so would be building up his herd. In other words, he would be acquiring animals on which he did not have to pay income tax. Is that right?

Mr. Turner (Ottawa-Carleton): Yes, that is right.

Mr. Gleave: What happens X number of years down the road when he decides to liquidate those animals, which he has been able to acquire without paying tax on them? Does he liquidate them all as a bunch, and at that stage pay income tax which may be very high, or is there some way he could spread that payment over a period of time?

Mr. Turner (Ottawa-Carleton): If in an earlier year the farmer had brought the cattle into income by putting them on his inventory at fair market value he would already, in calculating his income against expenses, have paid taxes on them, and on their eventual disposition he would not be taxed twice. If the hon. gentleman is not satisfied with this explanation we could explain it to him in an accounting way thoroughly.

Mr. Gleave: Mr. Chairman, this bill is before the committee, and accountants are asking me these questions. I think that question should be answered here and now in this House. If the explanation is given to me afterwards, that will not clarify matters for members of the House. For those people in Canada who deal with farmers' accounts, and who must advise farmers I think the explanation should be given now. But if the minister is unable to answer my question now, I am willing to accept that.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I submit to the committee that I have answered it, so that any accountant who is advising a farmer, from my explanation would be able to advise him how to value his inventory of cattle through the business life of a farm. I do not think, from an accounting point of view, I could be any more explicit, than by saying this permits farmers a flexibility in valuing inventory which is not available to any other businessmen. It gives the farmer the flexibility of bringing cattle into income at any stage in the life of a beast. If he brings an animal into income, then tax is paid on it because the inventory is increased by the value of that animal. He would not be taxed twice when he disposes of it. That is the simplest explanation I can give. I submit that it is clear, and that an accountant who is familiar with farm accounts and with inventory in farming would have no difficulty in following that explanation.

Mr. Gleave: If the farmer disposed of the final herd he would not be taxed on the total received for these animals, on the cash income at that time. Is that right?

Mr. Turner (Ottawa-Carleton): That is right. If those beasts have been brought into income, and the income calculated in a prior year, he would not be taxed again.

Mr. Ritchie: I would presume that once a farmer elects this method he will have to make an assessment of what his herd is worth every year, because it is going to vary from year to year?

Mr. Turner (Ottawa-Carleton): That is so, but he can always return to a valuation at zero if he wants.

Mr. Ritchie: What is covered by the term "livestock"? Does it include a stable of race horses, pigs, chickens and so on?

Mr. Turner (Ottawa-Carleton): I will get the definition of that as found in the existing act and will give it to the hon. gentleman in just a moment. Now, I understand there is no definition in the act, and that being so the term can be given its ordinary meaning, to include horses.

Mr. Ritchie: And poultry and pigs?

Mr. Turner (Ottawa-Carleton): The hon. gentleman is just as capable of defining livestock as I am, and probably better.

Mr. Hargrave: Mr. Chairman, my remarks will deal with the basic herd provisions. Even though these provisions go part way, they do not recognize the full intent of the basic herd in the cattle industry in Canada today. The beef cattle industry is the largest agricultural commodity group in Canada today, with sales of $1.2 billion at the farm gate last year. The cattlemen through their organization, the Canadian Cattleman's Association, have made representations to the Minister of Finance, and more recently to the Minister of National Revenue. I believe this took place at a meeting in Kamloops. I would strongly support their representations. A number of abuses in connection with the basic herd provisions could be corrected with the introduction of a proper amendment, but the principle of the basic herd provision, in recognizing the capital value of a breeding herd, is a very sound one, and the cattlemen of Canada would like to see this fully incorporated into the provisions of the Income Tax Act.

Mr. Lambert (Edmonton West): Mr. Chairman, my colleague from Dauphin asked what animals would be covered, and since there is no definition of livestock in the act itself I would ask the minister to look at section 248(1), the definition clause on farming, which states that farming under the terms of the act includes tillage of the soil, livestock raising and exhibiting, maintaining of horses for racing, raising of poultry, fur farming, dairy farming, fruit growing and the keeping of bees. If you are engaging in the farming business and are talking about livestock, all those things are a form of livestock. They are certainly alive. Someone asked if you are going to count the bees and find out whether they are alive. If you are mink ranching you will find out by poking your fingers into the cages! But is there any definition? I think the hon. member for Dauphin had a perfectly valid question when he asked what you mean by livestock and how far this is going to go.

• (1640)

There might be a distinction. If there is a narrow interpretation given in the new subsection 28(1) to the word "livestock". Livestock appears to be cattle because in the definition clause on farming there is a definition drawn between dairy farming and livestock raising. Let us hope there is not this narrow definition in this interpretation. Fortunately, the Minister of National Revenue is in the

House and I hope his ears are tuned to this discussion and that he will make sure there is not a narrow interpretation of this particular clause but that it will be applicable to dairy farmers, to mink ranchers, to poultry raisers, horse breeders, cattle breeders and beekeepers. Let the minister change the act. He does not understand because the section indicates that the keeping of bees is farming.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I do not read the subsection the same way as the hon. member, but I will give an undertaking to committee that if I find on consultation with my colleagues the Minister of National Revenue that there is an undue restriction on this I will bring it back.

Mr. Ritchie: Mr. Chairman, my information is that most beef farmers are a bit concerned that this provision will not work to their advantage or be as fair to that type of industry. I think this is because it takes a long time to build up a herd—it is generally 10 or 15 years before the farmer makes anything. Will the minister monitor the effect of this clause very carefully to see whether there should not be a change back to some type of basic herd?

Mr. Turner (Ottawa-Carleton): I certainly will, Mr. Chairman. I am concerned that the Income Tax Act should make some sense down on the farm and on the ranch. The purpose of this amendment is to allow for the early years in establishing a ranch or a farm when the expense usually exceeds the revenue. In those days neither the five-year averaging or loss carried forward is of any use to the farmer or rancher to fully absorb the losses that are incurred by a flexible valuation of inventory; now he only needs to bring his inventory into valuation when it best suits from his own revenue-expense point of view. This amendment is in response to the representations we have received from the dairy and cattle industries, particularly the beef industry, and we will continue to stay in touch.

I want to recall to the committee that when the Prime Minister gave me this particular job I arranged with the former member for Calgary South to set up a three-way committee of finance, national revenue and agriculture, to examine the application on a continuing basis of the Income Tax Act to agriculture. I felt then, and I still do, that a good many of these provisions were made by people who had not too much experience on the farm. We are trying to improve on a continuing basis, so that I can give an undertaking to the hon. members for Dauphin and Edmonton West.

The Chairman: The hon. member for Red Deer.

Mr. Lambert (Edmonton West): Can we get a firm understanding—

The Chairman: The hon. member for Red Deer has the floor.

Mr. Towers: Mr. Chairman, I want to ask one question of the minister. In speaking about the basic herd, we are talking about numbers. Is the minister speaking about numbers of cattle or is he talking about dollars?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we are not talking about the basic herd at all. This amendment applies to those animals not in the basic herd. We are talking about numbers of dollars, about bringing individual animals into inventory at the choice and election of the farmer. He could bring them in at zero or the fair market value or anywhere in between as suits him best.

Mr. Gleave: Mr. Chairman, are we agreed that we shall stand this clause and come back to it later with the changes the minister may find acceptable to correct this situation?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have not yet found any situation to correct. I have been trying to give an explanation. The only problem we had was the definition of livestock. Since there is no definition in the act then according to the ordinary rules of interpretation, the dictionary definition of livestock would apply. I gave an undertaking to the hon. member for Dauphin and the hon. member for Edmonton West that if in the course of these proceedings I find that the administration is more narrow than that I just indicated, I would bring it back to committee and we would cure it.

Mr. Gleave: Mr. Chairman, the minister says that he does not see anything to correct in the clause. This particular part of this bill is supposed to take the place of the provisions we had in the previous act for a basic herd, according to my understanding. I do not know what other purpose it serves. The last time I heard these changes discussed it was decided that the basic herd provision would be eliminated with. The only reason that I can see for this particular clause is to try to put something into this bill that will permit a farmer to build up a herd. As the hon. member for Dauphin pointed out, that takes about 10 or 15 years. Surely this must be the purpose. Therefore, instead of livestock the reference it should be, to the kind of herd you would build up, which is cattle. Why do we not stand the clause and put in what is necessary so that the ordinary, working farmer will understand it?

Mr. Turner (Ottawa-Carleton): With respect, Mr. Chairman, I think the ordinary working farmer understands what livestock is; livestock is certainly wider than cattle. I think the wider the definition the better the farmer would like it. It certainly includes cattle.

Mr. Hargrave: Mr. Chairman, I should like to make some comment about the term "farm" and the term now being used by a good many of the more viable farm units all across the country, the "family corporate farm". I want to assure everybody concerned that by this terminology I do not simply mean a sort of branch of the business type corporation in any sense of the word. The corporate family farm is a device that farmers, as their land requirements grow because of the need to spread their unit costs, have had to resort to in order to maintain a little longer the original concept of the family farm. This is no way can be considered as a large business corporation.

• (1650)

My point is that family corporate farms should be treated under the tax laws as individual farmers are treated. Corporate farms are discriminated against, and this dis-

crimination works real hardship on the farmer who incorporates. Strong representations have been made on this point. A good example of the situation is the fact that corporate farmers are not permitted to average over five years and are not able to declare their principal residence. These items are most important. I stress their importance and suggest that the family corporate structure should be dealt with in the same way and on the same lines as an individual farmer is dealt with, for taxation purposes.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I am advised that for purposes of this clause, the evaluation of inventory applies to any type of farm, whether incorporated or unincorporated.

Mr. Gleave: Mr. Chairman, I should like to see this clause stood and the word "livestock" changed in the bill. There was a reason for previously establishing the basic herd provision with respect to beef cattle. The reason is that a cow usually has one calf, whereas a sow may have a large litter and the chicken population can be built up just as quickly as the farmer can put eggs through an incubator. The producer does not need a long time to build up his stock of hogs or poultry, but he does need a long time to build up his herd of cattle. I submit that this particular clause should refer specifically to cattle. That is what I am trying to impress upon the minister. Let us stand this clause and change that word. I think the hon. member for Medicine Hat would agree with me, as would all those here who are familiar with farming, and say that that is what we want to do. I am not prepared to see the farmer left in his present position, as some members, when we are considering some other part of the bill, may see fit to introduce changes to this effect. Why not act now?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the problem to which the hon. member is addressing himself is unreal. He suggests that this clause should apply to cattle only. Its application is wider than that. The definition of farm business is to be found at the beginning of the amendment and that term is defined widely. The farmer can elect to value animals of other than his basic herd at fair market price, at zero, or anywhere in between. He does not need to do so. Not only will cattle farmers get the benefit of this provision, but farmers engaged in other types of livestock rearing will also benefit. Therefore, I submit it is in the interest of the whole farming community.

The hon. member has suggested that this should be restricted to cattle. I am suggesting that he really wants a wider purview of the amendment which, after all, is a relieving amendment and will encourage the farmer to begin animal production by the flexible evaluation of inventory. He can set income against losses, when loss is incurred. He does not need to take advantage of this provision. It is not introduced only for the benefit of the cattle farmer; it is there for any other type of farmer. If the hon. member wants to restrict it to cattle, then he is running against the interests of what he wants to continue, and I say this with respect.

Mr. Nystrom: Mr. Chairman, the minister a moment ago said that this provision applies to all farmers. I wonder whether, when drafting this legislation, it was decided to limit this provision to the family farm, or to the incorporated family farm, eliminating, in other words, the non-family farm corporation, the huge concern which goes into farming much as it might go into any other business for the purposes of tax reduction. Or, the same might apply to a lawyer or a doctor who might purchase a farm and use it for a tax deduction. I wonder if this matter is being considered.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, it would be very difficult to do that, as this part applies to the computation of income from a farming business.

The Chairman: Shall clause 6 carry?

Some hon. Members: Agreed.

Clause agreed to.

On clause 7—*Loss from farming where chief source of income not farming.*

Mr. Turner (Ottawa-Carleton): Mr. Chairman, this is a relieving provision which permits the taxpayer whose chief source of income is either from farming or a combination of farming and some other source, in other words a hobby farmer, to deduct from his income all scientific research expenditures without being subject to the loss limits under section 31 subsection 1. Section 31, as it now exists, permits the hobby farmer to deduct from other income a maximum of $5,000 of losses originating from farming business, but these losses can be included as a deduction for scientific research. The maximum of scientific research would be in the amount of $5,000, and that would be the limit. The new amendment will ensure that the deduction of all expenses for scientific research related to the farming business can be deducted. Submissions to this effect have been made. A number of people across this country are saying that it is in the interest of legitimate scientific agricultural research to have that expense deducted.

Mr. Lambert (Edmonton West): Mr. Chairman, I am gratified to see this amendment, because I suspect there is a big pile of letters in the minister's office on this question. This matter has been drawn to my attention by farmers, that is, by those engaged in farm operations in Alberta. I know that this is of concern to farmers across the country. The people I am concerned about, particularly, are engaged in a large ranching operation. They operate with a particular type of land that has been seeded in a special way. Records have been maintained by computer and special nutrients and food additives have been prepared and fed according to formulas of, shall we say, the more scientific developers of agricultural feeds. They are the corporations which carry on business in these nutrients. They use machinery and other equipment and are engaging in, shall we say, a partnership in this type of operation. They were able to deduct their expenses. There is a particular operation I have in mind. Now, it is paying taxes, I am glad to say, and is no longer a loser. There were some large initial losses under the old ceiling, which was lower, which had a very serious effect. I am glad to see this amendment. The point I want to make clear is—

The Chairman: Order, please. This is a good time to call it five o'clock. After completing our procedures, we shall go on to the consideration of private members' business.

Progress reported.

Mr. Deputy Speaker: It was agreed earlier that the Minister of Finance (Mr. Turner) would request leave, when the Speaker was back in the chair, for the printing of the analysis of clauses or subclauses appearing in Bill C-170 and not referred to in the ways and means motion. Is it agreed that these be printed under this part of our proceedings?

Some hon. Members: Agreed.

[*Editor's note: For text of analysis referred to see Appendix "A"*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty)—Canadian Pacific Railway—site for dumping of garbage from metro Toronto; the hon. member for Saskatoon-Biggar (Mr. Gleave)—Agriculture—feed grain—suggested additional compensation to western producers; the hon. member for Ottawa East (Mr. Gauthier)—National Capital—inquiry as to purchase of LaSalle Academy by government.

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

PRIVATE MEMBERS' MOTIONS

INCOME TAX ACT

SUGGESTED AMENDMENT TO PROVIDE FOR DEDUCTION OF MORTGAGE INTEREST ON PRINCIPAL RESIDENCE

Mr. Jim Balfour (Regina East) moved:

That, in the opinion of this House the government should consider the advisability of introducing a measure to amend the Income Tax Act to provide that a taxpayer be entitled to deduct in computing his income for a taxation year, interest paid on money borrowed to finance the cost to build or purchase a home to be used by such taxpayer as his principal residence.

• (1700)

He said: Mr. Speaker, housing is a universal need, yet home ownership is too expensive for the majority of Canadians. Canadians want to own their own homes. Surveys conducted by the task force on housing and verified elsewhere clearly established that 80 per cent of Canadian families want to live in single family dwellings. If 80 per cent of Canadians want such housing, it is our job to see that they get it, if it is within the power of the House to do so. The effect of the policy I propose would be a dramatic reduction by almost $1 billion per year in the cost of housing for Canadian families. Much has been said in this House and in the press about the tendency of the government to profit from inflation. Proposals have been made by our party and adopted by the government which will tend to off-set future inflation to some extent.

The deductibility of mortgage interest would in effect reduce the impact of inflation on land and construction costs and interest rates over the past 10 years which have, partly through errors and omissions of government, been out of proportion to the general increase in the cost of living. I cite as an example the recent report that housing in the Toronto area costs 11 per cent more than it did one year ago. While food costs rise people are still eating, while clothing costs rise people are still clothed. The rise in housing costs, however, has deprived many of the prospect of home ownership and committed them to a life of paying rent.

My motion seeks to eliminate what I feel has been a serious loss to the quality of life of lower and middle income Canadians. Canada's population has increased from 21.4 million people in 1970 to 21.7 million people in 1971, and to just over the 22 million mark today. During this period, net family formation has been estimated at well over 200,000 families. The need to increase the supply of reasonably-priced housing for these and existing families in Canada is obvious.

To this end, a comprehensive plan must be evolved which would effectively reduce the final price of a home by compensating for any disproportionate component in the cost of a house. By reducing the final cost of a home, this plan would have the added appeal of increasing real demand and thereby stimulating the economy. This, then, is the problem with which we must deal.

There are three main components in the cost of a house; the land it is built on, the structure itself and the mortgage loan by which it is financed. All three have contributed to the escalating costs in both the home ownership and rental markets. Unquestionably, the largest single cost contributor, in recent years at least, has been the cost of money as reflected in spiralling interest rates.

The rise in interest rates from about 6 per cent to about 9 per cent has added more to the monthly payment of an average mortgage loan than a $5,000 increase in the price of the building lot would have added without a change in the interest rate. For example, a mortgage with a principle amount of $16,500 repayable over 25 years at 6 per cent would have a total interest cost of $15,200. The same mortgage carrying an interest rate of 9 per cent would have a total interest cost of $24,500, a difference in interest costs of $9,300 on a mortgage loan of $16,500. Furthermore, high interest rates have the effect of substantially raising the level of annual income needed to secure a mortgage compared with previous years.

Similarly, cost pressures are affecting the rental market. A rise of 3 percentage points in interest rates, for example, will add between $15 and $30 or more to the

monthly rental for a new apartment, depending on its size. Therefore, not only are more families excluded from the market for the single family dwelling, but it is now much more difficult for them to find relief from the pressures of rising financing costs in the rental market. As a result, families in search of decent housing are being priced out of the market and the long-run health of the housing industry is being threatened. This housing market of relatively short supply and relatively high cost has made the quest for adequate accommodation a major problem for more than the lowest income groups. They have a problem, to be sure, but so do those in the next income brackets, the average wage earners of the $6,000 to $12,000 range who in most cases do not qualify for public housing assistance and should not have to seek such assistance in any case.

With the general level of living costs escalating and with single family dwelling prices what they are, the home-ownership dream of many of these Canadians is just that, a dream. Instead they are left to scramble in the grim reality of the rental market to obtain accommodation, much of it ill-suited for family living and much of it renting at monthly rates well beyond the 27 per cent of income the CMHC handbook deems acceptable for a family budget. It is this group who, in many urban centres, are increasingly earning the designation of the affluent poor.

Existing government housing programs which were designed and intended to aid average and low income groups in Canada to own their own home are not adequate. The estimated average family income of all Canadian families in 1971 was $10,471. However, the average family income of NHA borrowers was $12,005 in 1971, a gap of over $1,500 in money terms and uncounted thousands in human terms. Additional methods and programs must be developed in Canada whereby low and middle income families can reasonably aspire to home ownership. That they do aspire to it, as indeed do most Canadians, was one of the more unanimous conclusions reached by the 1969 federal task force on housing and urban development.

This task force listened to a continuous flow of expert testimony that future housing policies for Canada must be directed to the provision of multiple unit accommodation, largely on a rental basis. They found, however, that as a result of economic pressures, group after group of concerned citizens came forward to voice their deep yearning to own their own home. It became the practice of the task force at its public meetings to seek a show of hands on this question. Invariably the response indicated that at least 80 per cent of those present wanted to own their own home; the same figure, incidentally, which Professor Edward Michaelson of Toronto obtained in a more scientific sampling.

To have a such a high percentage of real and potential homeowners within the Canadian population should come as no surprise. It was the pursuit of independence and the search for new beginnings that brought pioneers to Canada originally as a place where a man and a family could acquire a piece of land. There seems to be little doubt that this same attraction and spirit are still vital forces in this country, even if that piece of land is becoming over more expensive to acquire. We are living in an age of exponential change. Individuals are being buffeted about by forces they do not understand. If we are to avoid alienating Canadians, we must provide a continuum whereby the past can be lined to the present. It is my belief that the best vehicle to stabilize any individual against the vagaries and pressures of a changing society is to place his roots firmly in the soil of home ownership.

In recent years, Canadians have come to accept continuing inflation as a way of economic life and, having done so, they are looking more and more to investment sources which seem to offer protection for their earnings and savings from the ravages of an inflationary rip-off. Today, there are a few better such sources than single family dwellings, prices of which have generally been rising in a supply-short market at rates sufficient to allow for even the worst inflationary loss. Single family dwellings then are increasingly becoming not only a desirable place to live, but a good investment as well.

In short, as a result of factors such as these, there still exists a definite, if frustrated, philosophy of home ownership among the Canadian people. I realize there are not simple solutions to the cost of money problem. The mortgage market cannot be divorced from the over-all Canadian capital market and the general level of interest rates in Canada cannot be divorced from those of the western world in general and, particularly, the United States. Any steps that can be formulated and implemented, however, which would have the effect of reducing the net cost of mortgage money to homeowners would be constructive. The alternative is to continue to deny large numbers of Canadians access to the housing market.

• (1710)

By ensuring an adequate supply of mortgage funds we do not necessarily ensure that such funds will be available at rates of interest which bring housing costs within the range of the average Canadian wage-earner. Indeed, there seems no question that the sharp rise in money cost during the past several years has been the largest single factor in maintaining the gap between average family income and average homeowner income. A straightforward, pragmatic method of dealing with high interest rates would be to simply alter the tax laws so that interest payments could qualify as a legitimate expense against taxable income. This would be consistent with the present treatment of interest rate expenses incurred by investors.

Since the purchase of a home is a most important social and economic investment for most Canadian families, such tax write-offs should be given priority consideration. On equity grounds, similar write-offs might be granted to renters—the portion of the monthly rent which covers the mortgage interest payments of the landlord being the tax deductible expense. These modifications to the tax law would comprise an additional and beneficial component to the present policy. At the same time, exemption from income tax of interest paid on house mortgages would mean a redistribution of government revenue—federal as well as provincial since both levels of government share income taxes—in favour of taxpayers who own a mortgaged house. In this sense, there is no debating the significance of home ownership as a technique by which low

income households can acquire their one major asset and build a substantial nest egg at the same time.

If mortgage interest payments were made tax deductible a ballpark estimate of the annual cost in terms of foregone revenue would be in the order of $930 million. The alternative proposal to eliminate the 11 per cent sales tax on building materials it is estimated would cost about $365 million per year. However, the mortgage interest cost calculation does not take into account offsetting federal government revenue which would be derived from increased mortgage interest payments resulting from a greater number of homeowner mortgages being taken out. Similarly, the increased sale of building supplies which would result from the stimulation to the housebuilding industry and the resulting increased level of employment among those who would be engaged in this industry would aid this sector of the business community significantly and, therefore, the Canadian people.

By stabilizing the housing industry we would effectively reduce union demands for higher wages geared to offset numerous lay-offs. This, in turn, would help dampen inflationary tendencies in the economy and the increased level of employment in absolute terms would increase government tax revenue while decreasing transfer and welfare payments and, at the same time, reduce our chronic unemployment problem.

The real cost of the mortgage interest program could further be reduced if, to offset excessive benefits accruing to more affluent housing consumers, a limit were placed on the amount of interest payments exempted from taxation. For example, a $2,000 annual limit per family up to a maximum of $30,000 over the life of the mortgage, would cover all or the greater part of mortgage interest payments from most home purchasers. Payments beyond this limit could be taxable either wholly or partially, according to some graduated schedule. With any incentive directed to a specific section of the economy there is a need to assess its efficiency. In my submission those who would benefit the most from this motion are the very people who have the potential purchasing power to give a massive thrust to the development of new housing in all areas of Canada, given this type of assistance.

This proposal then, by reducing the cost of housing to the individual buyer, would enable a more realistic number of Canadians to acquire home ownership and thereby provide for Canadians access to a lifestyle in accord with their aspirations and the promise of this great country.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, the hon. member for Regina East (Mr. Balfour) the mover of this motion, says that the government should permit homeowners from now on to deduct interest charges from their taxable income.

Obviously, this proposal has a great deal of political appeal and were it not for the fact that we are good administrators we certainly would be inclined to adopt this proposal and to put it in effect in order to get votes. However, I do not feel this is part of the Progressive Conservative program, because, on looking at the program they submitted at the time of the last election campaign, I did not notice that they had put forward a proposed tax reform whereby interests paid on individual properties would be deducted from taxable income.

At the time of the budget debate and in the course of speeches made on other financial measures, I listened to spokesmen for the Progressive Conservative party, and I have to make the same remark. As for the member for Regina East, his proposal reflects his personal views, because, to my knowledge, it does not have the support of his party.

The hon. member particularly explained to us the aspect of housing promotion for low and middle income people. According to me, he did not consult the recent statistics, because since 1968, there have been more houses built in Canada than in the last 20 years. Consequently, the fact that a homeowner could not deduct from his taxable income the interest he was paying on his mortgage, has not proved an obstacle, in my opinion, to the construction of private homes in Canada.

Maybe certain arguments have not been put forward, either the principal of the Income Tax Act according to which there cannot be deducted, as personal or living expenses, genuine personal expenses. This obviously includes interests paid on loans obtained for the purchase of goods and services for personal use, as opposed to those that are used for business purposes.

Already, under the Income Tax Act, the interests paid on money borrowed to earn an income or for reasons of business is deductible, and we have gone one step further in the context of tax reform for we have even suggested that when a company borrows to increase its share capital, the interests should be deductible. We are well aware that as many individual exemptions as possible must be made, but we must nevertheless bear in mind the important principle of taxation which says that expenses may be deductible when they produce income.

If, as the previous speaker suggested, expenses of a personal nature were deductible, obviously very few people would have any taxable income in the long run because it seems to me people would rush to get loans and deduct the interest so as to take advantage of the additional exemptions.

In order to balance a budget, taxes must be collected, and to do so, somebody has to pay taxes.

• (1720)

Rather than allow such deductions, we have, since 1972, raised the basic exemptions to $1500 for single person and $2850 for a married one. In fact, the February 1973 budget provides for an increase in basic exemptions to $1600 and $3000 respectively. To these exemptions, we have added additional exemptions such as for dependent children. Furthermore, under the provisions of the bill now before us, the taxpayer over age 65 benefits from an extra exemption of $1000. The blind have special exemptions especially when they have to stay in bed or move in a wheelchair.

The basic deductions allowed in this country stand among the most generous in the world. Compared with

those granted in the United States, we see that in that country the basic exemption is $750 for a single person and $1500 for a married couple. Even if certain countries have already recognized the possibility of deducting, for income tax purposes, the interest levied on a mortgage, their basic exemptions were rather different from ours and I think that it is quite an appreciable benefit for low and average income groups.

According to the motion of the hon. member for Regina East, it must be pointed out that the principal residence is the home where the taxpayer is living and consequently, such a purchase must be considered as a personal expense.

As a rule, the purchase of a house is not different but more important than that of any personal item. However, such a purchase is usually the highest individual expense made by the taxpayer in his lifetime. We are conscious of that problem since we have put forward some incentives and steps to help the small investor build or buy himself a house, if he chooses to, it should be remembered that when the fiscal reform was introduced, we of the Liberal party recognized the desirability of encouraging home ownership. On the other hand, we did not feel that the best solution lay in departing from the basic rule of deductibility of above-mentioned personal expenses.

The Income Tax Act therefore provides two major incitements to home ownership. The first consists in allowing a taxpayer, when he sells his home, a tax-free capital gain. The second provides for continuation of the rule whereby such economic advantages accruing to him because he owns his home are not included in his income. This advantage can be considered as a return on invested capital, i.e. the value of his home. It could also be considered as income not received because he did not invest his money otherwise.

Incidentally, it is useful to note also that in other countries, especially in Great Britain, presumed income was once added to the taxpayer's income.

We should bear in mind whenever we deal with the Income Tax Act, the principle of justice whereby all taxpayers, whoever they may be, get the same treatment, as regards their participation to any government's budget, especially the federal government's.

If two individuals have $20,000 each and one of them decides to invest his $20,000 in bonds or something that would yield an income while the other one decides to use his $20,000 to buy a house, the result would be that the one investing in shares would contribute to the development of Canadian economy and the creation of employment, the one investing his $20,000 in interest bearing bonds would pay tax on the interest he would get, while the person investing in property, would see the mortgage interest he would have to pay, if there were a mortgage, deducted from his taxable income tax and that would be unjust perhaps in the case of the tenant as compared with that of the owner. One could also say this, should one wish to carry the arguement further: if we grant such an exemption to owners, we should also grant one to the tenant who pays rent.

The Progressive Conservatives very often complain, Mr. Speaker, over the complexity of the Income Tax Act; it would be still more complex if we followed such a method.

If the individual investing $20,000 in something other than personal property and the one investing in the property, would sell after 10, 15 or 20 years the assets they have acquired and both make a $10,000 profit, the home owner would have no tax to pay on capital gains since the law provides for a special exemption on the taxpayer's residence, whereas the individual investing in other areas would have to pay capital gains tax.

Then perhaps there would be a different status between tenant and owner and since the Income Tax Act is aimed at equalizing the economic force of Canadians in the field of taxes, this proposal would hardly be acceptable. The implementation of this proposal could be technically detrimental to those investing in areas other than real estate.

Moreover—and this is a rather important point—the adoption of such a proposal would favour high income taxpayers in three different ways. One thing we do not want now is to be partial to the rich at the expense of the not-so-rich.

First, if an individual's earnings do not allow him to save the down payment for a house, obviously he could not take advantage of this provision.

Second, if an individual owns his own home but has a taxable income lower than his mortgage interest, he would not be entitled to the full deduction.

Third, because of the escalation rate of personal income tax, a deduction is more valuable for a taxpayer whose maximum rate is currently about 50 per cent than for another whose maximum rate is 10 or 12 per cent. One could also point out two other aspects of that proposal, hypothetical ones, of course, but having some importance, since the proposal itself is hypothetical in that sense that if it were applied, one could wonder about the results. There might be results which the mover perhaps has not considered.

• (1730)

First, such a system could boost mortgage interest rates because house buyers might be ready to pay higher rates since they could deduct interests from personal income tax. Therefore, a problem could appear.

Second, one can assume that such a system would incite people to mortgage their houses in order to accumulate funds for other personal expenses, since they could not deduct from their income tax the interest paid on the money borrowed to buy personal items. Which means that instead of borrowing, for instance, to purchase a boat or any other object that people now use daily, someone could say: I am going to borrow on my property, serving as a guarantee, since I am entitled to deduct the interest that I shall pay on the mortgage, and that money I will use not for amortization of the price of a property, but for personal purposes, for instance, buying a boat or some other thing of that kind.

And that way I think we would be encouraging people to mortgage their houses to buy all sorts of other items which are not directly related to production and which could not constitute a source of income.

We could thus end up with a situation where a sense of clear-cut ownership of a house could be an indication of very bad tax planning.

It is difficult to assess the exact cost of such a proposal from a tax point of view and I hesitate to put a figure on it. If we need $18 billion or $20 billion to operate this country, obviously people will have to pay taxes. If on the one hand we grant them a mortgage interest exemption, surely the amount lost which could reach $500 million or more will have to be recovered by considering the abolishment of certain present deductions as a replacement for those I have mentioned. I think that if we look at the issue of income tax, budgets and estimates, that suggestion is not valid.

However, I want to congratulate the hon. member for Regina East for having raised that very interesting problem and I think it is good for the people of Canada to know the arguments voiced by the hon. member concerning housing and also to stress the effects that such a suggestion could have on government revenues.

In fact, there are still two aspects to those questions and I think it is very valid to allow hon. members to express their personal views through motions such as the one before us and to have them debated so people will be able to judge as long we can recover the amounts thus lost by the Treasury.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to take only a few minutes in this debate. I should like to commend the hon. member for Regina East (Mr. Balfour) on the statement he made in presenting his motion. If that commendation seems to imply that he said something in his speech that is not contained in the motion, that is precisely the implication I intend to convey.

As hon. members will be aware, there are times when this kind of motion is presented that we ask certain questions. Today, however, the hon. member for Regina East anticipated those questions and indicated the terms on which he would like such a policy to be administered. In particular, he made two points on which I commend him. I wish the hon. member for Laurier (Mr. Leblanc) had listened to the speech instead of merely giving us the prepared answer.

On the one hand, the hon. member for Regina East said that something comparable to the measure proposed in his motion should be available for persons who rent their accommodation. His second point was that there should be a limitation on the amount of mortgage interest that could be claimed for income tax purposes. These two problems arise in connection with a policy of allowing mortgage interest as an income tax deductible item, and I welcome the fact that the hon. member for Regina East has made it clear that in working out such a policy he would want these two points to be met. Therefore, the understanding is that this is what we are talking about in these income tax adjustments which will assist people to purchase their own home: we are not talking about borrowing money to buy boats or other things, which the hon. member for Laurier raised as a sort of strawman. I am getting mixed up here when I have boats turning into strawmen. But what we are talking about is a policy which will encourage home ownership and at the same time provide comparable assistance to those who rent their accommodation. In our view, this is a commendable policy. I would like to see further thought given to it.

I know what happens to resolutions and bills in private members' hour. The only thing I must not do is take part in any talking-out process. May I say again that I think the hon. member for Laurier should have listened to the hon. member for Regina East when he said there should be a limitation placed on the amount of mortgage interest that would be allowed for income tax purposes. That certainly meets the point about an arrangement of this sort being a bonanza for the wealthy rather than one to meet its intended purpose.

As many members of this House will be aware, some of the provinces already have done something in this area. I know this because I am familiar with the situation in two provinces, namely, Manitoba and Ontario. This probably applies to other provinces as well. Rebates on account of property taxes are being allowed. The conditions vary in these two provinces, but not greatly. In both Manitoba and Ontario an arrangement has been made whereby persons who rent their living accommodation receive a tax credit similar to that which is available to home owners. So this is not a crazy idea about which no one could ever do anything: Manitoba and Ontario have done something about it. I think it is time this arrangement was looked into at the federal level with respect to the cost of shelter.

Another argument the hon. member for Laurier used was that if you start talking about expenses for which you allow deductibility for income tax purposes, where do you draw the line? This expense is allowed, somebody wants another, and pretty soon all of one's income is claimed as expenses and there is no taxable income left. May I suggest, again, that that argument is a strawman. May I also suggest that surely living accommodation is a pretty basic fact of life and it is not unreasonable to suggest that income tax exemption arrangements should take care of that fact.

• (1740)

The cost of accommodation is becoming so high that I do not think we can trade on the arguments against this sort of arrangement which for many years the department has ground out for government speakers in private members hour. This has become a serious problem and I think something should be done about it. Let me say quite frankly that there are several ways: there are tax credits, there are special exemption amounts for home ownership or for home rental, such as the blanket exemption which we have for charitable donations, or we could adopt a formula such as the one proposed by the hon. member for Regina East. In any case, I think the House should take seriously the proposition that consideration should be given in our income tax arrangements for the cost of occupancy, whether it be for those who rent a home or for those who endeavour to buy one.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, at first blush one reads the hon. member's motion with interest and certainly with approbation. The problem with the

motion, in the view of the government, is that the hon. member did not elaborate it enough. Notwithstanding the support which the hon. member for Winnipeg North Centre (Mr. Knowles) sought to give, I think the motion raises many more questions than it answers. The few buttressing answers provided by the hon. member for Winnipeg North Centre just do not fit the bill, so far as I am concerned, although they certainly make the views of the hon. member for Regina East (Mr. Balfour) more palatable.

The feeling regarding motions of this nature which are so often put on the order paper is that they do not look far enough down the road. Hon. members who sponsor such motions are prepared to show all the advantages but they do not spend too much time elaborating the problems that would arise nor the administrative difficulties that would be involved.

The great thing about a motion such as this, however, is that the government, nothwithstanding the fact that a motion or a bill in private member's hour may be talked out, is given an opportunity to pause and ask itself: Is there a way in which this particular administrative difficulty can be overcome? I think some of the views expressed by the hon. member for Regina East endeavour to do just that. I do not think he provided all the answers but I think that for once—we do not get too much of this from opposition members—he conceded that there might be some problems and he came up with suggestions to overcome them, namely, a limitation on the amount of mortgage interest that would be exempt and the suggestion dealing with the unfairness that would arise relating to a man who rents as opposed to one who owns a house.

The hon. member for Laurier (Mr. Leblanc) was listening, but did not feel it was necessary to elaborate on the comments made by the hon. member for Regina East. However, he went down another road and dealt, not so much with the man who buys a house but the man who invests his money. There might be further difficulties in that particular area. So the motion does give rise to many questions.

There is a grey area in the hon. member's motion, and with the latitude allowed in private members' hour I would like to explore it for a few minutes. I refer to the situation where a home owner has imposed upon him a problem not of his own making, where he is required to put out money and where in all probability he has to borrow that money and pay interest on it. I think there is an area here where the total amount of money borrowed and the interest paid should be allowed either as a write-off, as a deduction, or as some form of tax concession to the home owner.

I am thinking primarily of the problem faced by home owners as well as those who rent, because this would be equally applicable to both categories, along the shores of the Great Lakes. When I say "along the shores," let me point out that some years ago they lived 100 yards or so from the shore but now find themselves on the shore of Saint Clair Lake or of the various rivers that feed into the Great Lakes basin. This is the situation of people who had built a house, or a substantial building, on the lakefront but suddenly found that erosion had occurred. When they built the house it was far enough from the water's edge that they did not have to worry; now they find the water has come closer to their front door and they are forced to do something to protect their property.

An hon. Member: What about floating a loan?

Mr. Cullen: An hon. member suggests floating a loan. They are faced with this situation, and they have to build walls or hire trucks to drop loads of gravel and stone along the water's edge. A great deal of money has to be spent simply to protect their property. Perhaps a concession might be made—this is an area which could be considered by the Department of Finance—in the interest of helping these people. It is not a problem they created; it is a problem forced upon them by the vagaries of nature, if you will.

Some people may ask why such action should be taken because an individual is protecting his private property. I suggest he is protecting a piece of property which will be owned by others down through the years, and the land involved will be protected in perpetuity. The home owner is not only protecting his home for his own use and benefit, but for the benefit of those who will buy it from him and will own the property through the years in perpetuity. So, in effect, it is money he or she is spending in the interests of protecting a piece of property that must be protected now if it is to maintain its value. Here is a situation where a tax allowance somewhat along the lines proposed in the hon. member's motion could work to the advantage not only of the home owner but of the person who rents along the shores of the Great Lakes.

Some of the points I had hoped to make were, in effect, made by the hon. member for Laurier. This is where I thought the hon. member for Regina East and the hon. member for Winnipeg North Centre might have helped us a little more by having carried out more research on this motion to discover how much tax revenue would be lost as a result of this proposal. I know the hon. member made a valuable effort to indicate that tax revenue would be lost, and he felt there were some areas where it would be recouped. If there had been a little more research I would be more apt to vote in favour of the motion should it come to a vote today.

I conclude by again pointing out that perhaps a tax allowance or a tax credit could be considered in the case of people who have an adverse situation forced upon them. In this situation, governments are often prepared, after the fact—after a flood, after substantial damage, after a tornado or a hurricane—to pour millions of taxpayers' dollars into repairing the damage. Government at all levels seems somewhat loath to make taxpayers' money available, to make tax concessions to people before a problem arises, in the course of its arising or before it becomes a disaster or a catastrophe.

I was pleased to hear the Minister of the Environment (Mr. Davis) indicate the role the federal government is prepared to play, and I hope some initiative will be shown by the provinces. I understand that the province of Ontario is taking some action so that the taxpayer will be protected in this instance. One of the things that concern people when taxpayer's money is spent on a particular project, or when tax concessions are made, is that they might find themselves with their land in the public

domain. In some cases, beaches or access to beaches will be thrown open to the general public. This is a question that should have been answered many years ago and I am sorry that it was not. There is an immediate problem here and I believe a tax allowance or concession should be made available to people, along the lines suggested by the hon. member, respecting interest on mortgages when they have to deal with a problem not of their own making.

• (1750)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should simply like to make a few comments on the motion now before us concerning home ownership and the deduction from personal income of the interest a person must pay for any building which enriches the whole country.

I think we should make efforts to encourage young people to become owners, because to be an owner is in fact to participate really, to possess really part of the fatherland. In some way, the home is a small fatherland someone owns, someone loves and someone wants to defend with all his strength.

It is fine to make nice patriotic speeches and to show young people that the fatherland is something sacred we must defend with all our strength but if we make it possible for young people to become real owners through legislation, they will have the pride of improving their property from year to year, and of being more concerned about the public administration, not only at the national level but at the provincial, municipal and school levels.

When we succeed in getting young people interested in becoming real homeowners, then we will interest them indirectly in the entire public administration, at any level. When we succeed in creating this concern in young people's mind, we may be sure that when unhappily a dramatic situation happens where our nation's fate is at stake, as I said earlier, then these young people will understand that their real homeland begins at the very level of the property.

When these young people understand that their property is part of the nation, they will be prepared to make sacrifices to safeguard it, at the school, municipal, provincial and national levels. I suggest that then it will really be possible to count on an efficient and interested contribution from every citizen to safeguard all the provileges that the property right involves.

I therefore understand perfectly well what prompted the hon. member to present that motion. He would like the state to facilitate access to home ownership and its permanence. For it is not enough to be able to become the owner of one's home; one must also be able to keep the house and tell the family: This property is truly ours.

I therefore feel that deducting the interest from taxable income of the individual to guarantee that right to ownership is very legitimate. I, who have several children, heard yesterday that two of them negotiated terms last week with a view to buying their own homes. So, from the bottom of my heart as their father, I congratulated them on their efforts to save on their income in order to do something that would make them worthy of being true Canadians and to interest their wives to do more so that the houses will really be theirs, their own corner of Canada, so to speak.

I think that in their heart, all Canadian fathers and mothers want their children to be able to own a house where they can live 365 days a year. The government should allow them to deduct, for tax purposes, the interest they must pay to become owners which, in short, is part of the national heritage and we then will contribute to create among our youth a real interest that will finally enable them to better understand what is the meaning of father land.

I strongly support this motion so that we should finally give our youth the right to private ownership. We must recognize this not only in principle but in fact and give youth tax benefits so that they should realize their ambitions.

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I merely wish to add a few words concerning this motion and to remind hon. members that one of the problems to be faced by the government is the matter of establishing its priorities. According to the wording of his own motion, the hon. member for Regina East recognizes that the government's income would decrease by at least $930 million, whereas his colleagues and namely the financial critic of his own party, suggest that the government should increase its disbursements by $2 billion for the current year.

As for the hon. member for Winnipeg North Centre (Mr. Knowles), who supports the motion, he recommended an increase in old age pensions last week and the lowering of the age of eligibility. So—

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. parliamentary secretary. The time allotted to private members business has expired. The House will now resume the debate interrupted at five o'clock.

[*English*]

The hour appointed for the consideration of private members' business has now expired. Before the Chair calls it six o'clock, I might suggest that the House go back into committee of the whole on Bill C-170. Is this agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed consideration in committee of Bill C-170, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the chair.

The Deputy Chairman: Order. It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Assistant Deputy Chairman: Order. House again in committee of the whole on Bill C-170, to amend the statute law relating to income tax. The committee is on clause 7.

On clause 7 –*Loss from farming where chief source of income not farming.*

Mr. Lambert (Edmonton West): Mr. Chairman, I had the floor when the committee recessed at six o'clock. I wonder whether the minister feels it necessary to establish some guidelines here. Section 37 of the act does refer to scientific research. Whether it is sufficient to meet the definition of section 31 and the amendment proposed by the minister, it does use the phraseology "scientific research". And, of course, it makes reference to section 37. I ask as a final question: Is there a ceiling on the loss?

Mr. Turner (Ottawa-Carleton): Not on scientific research, Mr. Chairman.

Mr. Lambert (Edmonton West): What about guidelines, or does the minister feel they are not needed?

Mr. Turner (Ottawa-Carleton): I would think the definition found in section 37 would be a good analogous reference. If we find, on application of the measure, that we need guidelines, I suppose we can provide them.

Mr. Ritchie: I should like to ask the minister what kind of person would qualify as an individual farmer. For instance, would he have to be connected with a university, or would a person growing specialized seeds fall under this definition? Who would make the decision—the Department of National Revenue?

Mr. Turner (Ottawa-Carleton): First of all, by the amendment anybody would qualify whose chief source of income was neither farming nor a combination of farming and another source of income and who was engaged in scientific research involving expenditures. Section 37 of the act sets out what "scientific research" means. Anybody who meets the definition of these two sections would qualify without limit.

Mr. Ritchie: Can the minister cite an instance where this has occurred? Perhaps that would clarify the matter.

Mr. Turner (Ottawa-Carleton): The variety is immense. Take somebody in Calgary who operates a ranch part-time but whose major income comes from oil. He would only be entitled to a $5,000 deduction on the land of his farm, because he is not in the business of farming. On the other hand, if he is interested in animal diseases or some of the toxic aspects which affect cattle and buffalo herds in Wood Buffalo National Park and spends $25,000 a year trying to develop a preventative because he is interested in the breed and in agricultural research, then he would be entitled to a $5,000 loss on farming, but only to that.

We wanted to plug a limitless deduction against other income where a man was not a legitimate farmer but was a hobby farmer. Because of the social and agricultural advantages of engaging in research in the agricultural field, on the representations of a number of members, including the hon. member for Edmonton West, we felt it was good policy to encourage agricultural research. If the expenses were legitimate and were incurred for scientific research within the definition of section 37 of the act, then they should qualify. It is almost limitless.

Mr. Ritchie: Mr. Chairman, I do not believe there has been any change in the deductions of $2,500 and $5,000 for a long time. They are probably too low by present day standards and should have been raised. The structure of farming is changing. Most farmers now have a double income because they farm part-time and have income from another source. I think it is important that agriculture have some more capital-injected income.

At the present time, injected income is largely derived from government loans. It seems to me there is a place for individual entrepreneurs who would invest in bona fide farming. The figures of $2,500 and $5,000 were set some time ago; they could well be doubled and still not be excessive. One of the difficulties, of course, would be to distinguish between bona fide farming and so-called hobby farming. I have heard of cases where a farmer has had to take other work. He has been classified as a hobby farmer. I think such instances are quite genuine.

• (2010)

I think the Department of National Revenue has been hard in the interpretation of this section and perhaps more thought should be given to its administration, because more and more people who are engaged in farming are part-time farmers; either they or their wives are bringing extra money from other sources into the family. I urge the minister to consider raising this deduction for a non-farmer or for the person whose income is not totally derived from farming and to define, in conjunction with the Department of National Revenue, who is entitled to the deduction and who is not.

Mr. Nystrom: Mr. Chairman, may I ask the minister one or two questions? I think I may have missed some of his previous explanations relating to deductions for scientific research. How much can be deducted for scientific research and who may make such deductions?

Mr. Turner (Ottawa-Carleton): Anyone who is not in the business of farming, or anyone whose principal source of income is not farming is entitled to deduct the loss from the farm that he runs on the side, whether as an interest, as a hobby or for pleasure because he wants to get out of the asphalt jungle. Because this was in the past used by some urban taxpayers as a way of artificially reducing their income, there was a limit of $5,000 placed on the amount that could be deducted.

All a person need do in order to qualify, is not to be principally in the business of farming. He may deduct $5,000. But if he is engaged in scientific research within the meaning of section 37 of the Income Tax Act, then in addition to the $5,000 he is entitled to all that expense which could be classified as coming under legitimate scientific research. His activity may consist in improving animal stock, conducting research into animal diseases, improving grain strains, and what have you. The purpose of that, in terms of national policy, is to encourage agricultural research. Not only have representations come

to us from people who were legitimately doing this as a hobby in all parts of the country, but a good many agricultural associations thought it was a good idea.

If I may return to the representations of the hon. member for Dauphin, we must reconcile two interests. We must protect the public treasury from people who might tend to abuse the family farm as a way of artificially reducing income and, on the other hand, we must help the legitimate farmer who in order to supplement his income enters another business. I will look at this question again, and will ask the department to do so. But that is the saw-off we must make.

Mr. Nystrom: Mr. Chairman, will a bona fide, full-time farmer qualify for an exemption for scientific research?

Mr. Turner (Ottawa-Carleton): He always did, as part of the cost of doing business.

Mr. Gleave: Mr. Chairman, I do not understand the minister. Supposing a man in Ottawa decides to buy a piece of land; there are marginal farms around here that are not very profitable. Supposing he decides to buy one of those farms, plant a special kind of tree and see if it will grow in a certain way. Or let us suppose he tries to find the best way to grow trees. Would his expenses in that undertaking qualify as expenses for scientific research, even though he is enjoying living in the little log cabin next to the lake?

Mr. Turner (Ottawa-Carleton): It is a matter of administrative fact. It would have to be legitimate scientific research and that would be a matter of fact that the Department of National Revenue would have to interpret. I refer the hon. member to section 37(1) which spells this out clearly. It reads, speaking of deductions that the taxpayer may consider:

(a) all expenditures of a current nature made in Canada in the year

(i) on scientific research related to the business and directly undertaken by or on behalf of the taxpayer—

In this case it would be the farmer. I continue:

(iii) by payments to an approved university, college, research institute—

The hon. member spoke about marginal farms around Ottawa. I assure him that the farming community of Ottawa and environs would not want to be referred to as operating marginal farms. There are good farms here, including some of the best dairy farms in the country.

Mr. Baker: Particularly in Grenville-Carleton.

Mr. Turner (Ottawa-Carleton): There are many good farms in Ottawa-Carleton, and in Grenville-Carleton too. I therefore hope the hon. member from western Canada will reconsider that portion of his remarks.

Mr. Gleave: Mr. Chairman, the minister may have his fun but I do not want to reconsider my remarks. I am perfectly serious about this. There are marginal farms around Ottawa, just as there are marginal farms around Saskatoon; and there are people who engage in farming because they like to do so. And God bless them; I appreciate their interest. Speaking as a farmer, I have experimented with special crops just to see what would happen.

In such instances I could charge the expense off as an ordinary expense.

In the case I referred to a moment ago, the person planting the trees would be undertaking what might be called scientific research. If that activity is controlled through, say, the University of Ottawa or the Experimental Farm, or if the University of Saskatchewan works closely with the individual concerned, that would be one thing; it would be a controlled experiment. But if an individual simply says that what he is doing constitutes a scientific undertaking, that is something else. That is specifically why I asked the question. I think this committee deserves a specific answer and not the sort of spin-off or joke which we heard about the kind of farms which are to be found around Ottawa.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I take a great deal of interest in the sort of farms which are to be found in Ottawa-Carleton and in Grenville-Carleton. Let me return to section 37(3) of the Income Tax Act, which provides:

The minister may obtain the advice of the Department of Industry, Trade and Commerce, the National Research Council of Canada, the Defence Research Board or any other agency or department of the Government of Canada carrying on activities in the field of scientific research as to whether any particular activity constitutes scientific research.

So it is open to the Minister of National Revenue to determine whether any particular activity by any person who is not primarily in the business of farming constitutes scientific research for the purposes of this deduction. Scientific research is further detailed in section 37, subsection 7 of paragraph (b) of the regulations. The definition is precise.

Mr. Baldwin: Can one go to Information Canada?

Mr. Gleave: Mr. Chairman, the minister regards the definition as precise. If a person carrying out such an operation claims a deduction in his income tax return, will somebody with knowledge and capability in this field examine his operation, or is it assumed from the return he files that he has complied with the regulations?

Mr. Turner (Ottawa-Carleton): I am advised that there has not been any problem in the administration of this particular section, and that the definition is considered to be precise enough that its factual application is easy to determine.

Mr. Ritchie: Mr. Chairman, may I ask a question about restricted farm losses? Previously, farm losses for 1971 and before then were restricted to $2,500 a year. Is the farmer to lose what he accumulated prior to 1971?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I am afraid I cannot appreciate the full significance of the question. Perhaps the hon. member could be more precise.

Mr. Ritchie: As I understand it, a person with a restricted farm loss can carry it forward for only five years. He then loses the benefit of the provision if he does not take advantage of it. The suggestion in the report on tax topics in the budget, as I read it, is that a person who has a restricted farm loss for the year 1971 or previously would

not be able to take advantage of it; under this clause it would be wiped out.

• (2020)

Mr. Howard: Mr. Chairman, I know a little about fishing but not much about farming. I hope the minister will bear with me as I try to put into words what I understand this provision to be. From reading the clause and listening to the minister, I understand that a scientist with the National Research Council, for example, could buy a 50, 150 or 200-acre farm somewhere around Ottawa, farm it marginally—in other words, as a hobby farm—but use his scientific knowledge to engage in some kind of scientific research as contemplated in section 37 of the act and thereby be able to curtail the amount of tax he must pay to the federal government. However, in the case of someone in my constituency trying to develop a farm and working eight hours a day in a mining operation, logging operation or some other industry, he does not get any advantage out of this provision. He spends his spare time trying to clear the land and develop it into a producing farm.

On the surface, it seems that if you have an "in" with the Department of Industry, Trade and Commerce, you are all right. However, a poor guy trying to slug it out by working in industry and trying to build a farm cannot get any help whatever. A person trying to make a go of farming in the north country is subject to attack by the Department of National Revenue. They check his books for the previous five years, say that he is not a bona fide farmer and do not permit him the few deductions available to him, even though he cannot develop the farm by himself and needs money from some other source.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, here again we are referring to expenses for scientific research. They are actually expended. Their purpose is scientific research. They are defined within the regulations. They do not accrue as an advantage to the person who expends them. Because of the national purpose of including agricultural research, we propose to allow them as an additional deduction.

It is true that somebody with a basic scientific background might be able to qualify more easily, but it is not so limited. If a miner in Terrace or Kitimat wants to buy a farm and operate it in his spare time, he can qualify for the $5,000 deduction as a non-farmer. I refer to regulation 2900 under the heading of "Scientific Research." If a person in Terrace gets material from the University of British Columbia for basic research that he would like to do on mid-northern agricultural farming, he would qualify as easily as somebody who is a member of the National Research Council operating in Grenville-Carleton, if he undertook, with the help of a university or anybody in the area of applied research, the following:

(a) basic research, namely, work undertaken for the advancement of scientific knowledge without a specific practical application in view,—

(b) applied research, namely, work undertaken for the advancement of scientific knowledge with a specific practical application in view, and

(c) development, namely, use of the results of basic or applied research for the purpose of creating new, or improving existing materials, devices, products or processes.

That is the purpose of it. Agricultural research could be done in the hon. member's part of the country and could be used intensively. It is that kind of research the Department of Agriculture wants to encourage and has recognized, under the Income Tax Act, as a deductible expense.

Mr. Howard: Mr. Chairman, the minister put it clearly and distinctly when he stated that somebody from the National Research Council would probably have a bit of an edge in this matter.

Mr. Danforth: Mr. Chairman, I wish to direct a question to the minister. Perhaps he dealt with this matter before, but I am not clear on it. It seems it is left to the minister's discretion when a taxpayer's chief source of income is neither farming nor a combination of farming but is from another endeavour. This is a sore point in my area, because many farmers who find it difficult to earn a suitable living from farming try to earn outside income. Many obtain employment in automobile factories. Through some circumstance of crops they find they are not able to declare a full farm loss on their operation. I am wondering how a determination is made in this case.

I wish to refer to two specific examples. First, a person who farms part-time and also works in a factory may lose his entire crop due to floods. His farm operation may have a net loss of $8,000, $10,000 or $12,000. The way the act previously read, he was not able to claim this loss because he was not considered to be a farmer of this type. Second, a farmer may have had a very successful year in farming but did not dispose of his crop before the end of the taxation year. His entire crop may be in storage. Under the terms of the act as it stood previously, he was unable to claim his legitimate farming expenses to the extent they actually accrued. Can the minister give an indication of how it is decided whether a farmer is indeed a bona fide farmer when his income is derived from two sources?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, this relieving amendment is open to people who are non-farmers but are in the partial business of farming. If a farmer from Kent county or Essex county decides to work in an automobile factory, it is a question of fact whether he shifts his principal source of income to farming or to being a wage earner in an automobile factory. Who determines this? In the first instance, I suppose that he determines this when he files his income tax return. He may be challenged by the officials of the Department of National Revenue. If the taxpayer objects, he can file notice of objection. He may then go to the tax review board, then to the Federal Court or any other part of the appeal system. it becomes a matter of judicial interpretation. It is an appraisal of fact whether his principal business is farming or not.

Second, as to qualifying for this relieving provision, whether the expenditures for which he is claiming an additional deduction beyond the $5,000 deduction already allowed in the act are for the purpose of scientific research, that is a question of fact that would have to be interpreted by a court. It is not left to ministerial discretion.

• (2030)

Mr. Danforth: I understand the provision made for scientific research. What I do not understand is the way in which determination is made as to a taxpayer's chief source of income. This could change from one year to another, taking into account the vagaries of farming. What about the example I gave of the taxpayer who stored his crop? His chief source of income in the year in which he disposed of his crop might be his wages as an automobile worker, not his income as a farmer. Certainly, his category cannot change from year to year depending on whether or not he stored his crop.

Mr. Turner (Ottawa-Carleton): I suggest it could. Here again, it is a question of fact. What is the chief source of income? A taxpayer might have one view of it, the minister might take another. If there is a dispute, the review board or the appeal court can make a decision.

Mr. Danforth: But it could not change under the act from year to year?

Mr. Turner (Ottawa-Carleton): I would think so. The hon. member has put forward a borderline case, but conceivably it could.

Mr. Baldwin: Suppose he was on a farm, drawing unemployment insurance for ten months?

Mr. Gleave: I would point out that the trend in agricultural research is away from the type of operation the minister was describing. There was a time when substations devoted to agricultural research were operating in various places—for example, in northern Ontario and in Saskatchewan—under the direction of the principal research stations. Local farms were picked to carry on experiments designed at the central station in Ottawa, Saskatoon or Swift Current. This practice has been discontinued, as far as I know, because it was felt by those responsible for agricultural research that research should be concentrated in the main experimental stations.

I am a little surprised the minister should tell us he has been advised by the Minister of Agriculture and others that we ought to start again along these bush operation lines. The bill reads:

> Where a taxpayer's chief source of income . . . is neither farming nor a combination of farming and some other source of income—

That is a nice definition. But would the minister tell us what the real source of income of this individual would be?

Mr. Turner (Ottawa-Carleton): The hon. member may feel that in general terms the main rate of agricultural research is carried on by the provincial experimental farms, and I agree with him. I wonder whether he would want to discourage scientific research in agriculture which could be carried out by individuals across the country because they have an interest in the land. As long as the research is bona fide, and as long as its purpose is the furthering of knowledge pertaining to husbandry and horticulture, the hon. member might think it was an effort we should encourage. Surely, some of the great ideas in agriculture have come from individuals who stood apart from the main research centres. This is the social purpose behind the suggested amendment.

Mr. Gleave: I do not want to discourage that kind of activity. I just do not want to encourage people to do it at the taxpayers' expense, that is all. It is true individuals have made outstanding contributions to research, but most of the work in this field has been associated with our experimental farms. I think our tax money should go to the experimental farms and to the universities; I do not think it should be frittered away into little cul-de-sacs here and there. I object to the minister suggesting that I want to discourage experimental agriculture. I have done it myself on my own farm. But no one gave me a tax concession for doing so. I cannot accept the charge that I want to discourage research in farming.

Mr. McKinley: If the department is not prepared to allow all the expenses incurred on a farm out of income other than that which may be used for experimental purposes, how can the department justify charging income tax on any profits made from that farm?

Mr. Turner (Ottawa-Carleton): This is not a deduction allowed in respect of farming in general. A farmer is entitled to deductions with respect to all expenses incurred in running a farm. This provision is for the non-farmer who has a farm on the side known as a hobby farm. At the moment he is allowed a maximum of $5,000 as a deduction. The national policy reflected in the amendment before us is that we ought to allow, beyond that $5,000, any expenses legitimately incurred for purposes of agricultural research.

Mr. McKinley: If the department does not allow all the expenses legitimately incurred in the operation, I cannot see on what grounds it can levy income tax in the event of profits made.

Mr. Turner (Ottawa-Carleton): A person whose principal business is farming is entitled to every legitimate expense he incurs. But if, as is often the case, he is not working the farm full-time and incurs a loss, the maximum he is allowed is $5,000 a year. Under this amendment there would be a further exemption with respect to legitimate scientific research.

An hon. Member: It is open-ended.

Mr. Lambert (Edmonton West): It is not.

Mr. Turner (Ottawa-Carleton): The hon. member says it is open-ended. The taxpayer has to spend the money and the department has to be satisfied that the expenditure was legitimate. It is up to the committee to decide whether agricultural research is worth enough to the country to allow such expenditure to be covered. I might add that the $5,000 figure was set, taking into account the balance of convenience, as applying to people living in the cities who were running farms as a hobby or for pleasure. It was felt that they should not be allowed to reduce their income unduly by running a farm, so a limit of $5,000 was placed on the deduction. The figure of $5,000 is a figure decided on by parliament in its wisdom at an earlier date. We are proposing to add now, beyond and above that, an allowable deduction in respect of legitimate research.

Mr. McKinley: Suppose expenditures of more than $5,000 a year are incurred in making a farm into a profitable unit, and eventually a profit is generated; will the extra expenditure then be allowed?

Mr. Turner (Ottawa-Carleton): If a farm shows a profit, the person whose principal source of income was not farming would then be allowed every legitimate expenditure because the particular provision would not come into play.

• (2040)

Mr. Howard: Mr. Chairman, I wonder if the minister could give me a little additional information. The words to be added, namely, "without reference to this section and before making any deductions in respect of expenditures described in section 37", are, I gather to be substituted for the words that are now in the section, namely, "otherwise determined", presumably to make the section more precise. The words now in the law, "otherwise determined," obviously include so-called scientific research as enumerated in section 37. However, do these words include anything else? I assume that the words "otherwise determined" may embrace other things. If that is so, what are those other things?

Mr. Turner (Ottawa-Carleton): Section 31 now reads:

> Where a taxpayer's chief source of income for a taxation year is neither farming nor a combination of farming and some other source of income—

Under that section he would be entitled to deduct the lesser of the amount by which the aggregate of his losses for the year otherwise determined from all farming businesses carried on by him exceeds the aggregate of his incomes for the year from all farming businesses and the amount derived as a result of the equation contained in subparagraph (b) of the section. So that if the losses attributable to the business of farming exceed $5,000, he is only allowed the amount of those losses after calculating his income from the farm and calculating his losses. If the losses exceed his income by more than $5,000, he is only entitled to the maximum of $5,000 deductible from other income, non-farming income.

Mr. Howard: So what happens now if a person opts to take advantage of section 31(1), the provision we are talking about, and that person is engaged in scientific research?

Mr. Turner (Ottawa-Carleton): That is the point of the amendment, Mr. Chairman. If a person undertakes scientific research now—agricultural research, obviously—then the capital expenditures incurred are part of his total expenditures and his loss deduction is still limited to a total of $5,000. He may have spent $15,000 on legitimate agricultural research and he may have another $15,000 expenses for his farm, a total of $30,000. If his income is $10,000, his loss is $20,000. But he only gets at the moment the maximum of $5,000, despite the fact that his agricultural research cost him $15,000. Under this amendment he gets the entitlement of $5,000 on his losses, plus his $15,000 expended on agricultural research.

Mr. Howard: But, Mr. Chairman, it does not relate only to agricultural research; the provision relates to the whole range of scientific research set out in section 37. If we were talking in this amendment of research conducted on a farm for agricultural purposes that would accrue to the advantage of agriculture, then I would buy it. But we are not. What we are talking about is every conceivable crackpot with some bent for scientific research and who has the money to buy a hobby farm and engage in such research. If this is the case, then I would suggest to the minister that he consider holding this clause until we can take a little more time to look at it and see whether we can nail it down in the way I should like to see it nailed down, namely, to agricultural research that accrues to the benefit of agriculture in a general way.

The Assistant Deputy Chairman: Shall the clause carry?

Mr. Gleave: No, Mr. Chairman. I think some of the matters that have been raised must be adequately answered. These proposals are not clearly defined. As my hon. friend from Skeena has just said, this provision is an open invitation to any—to use his words—crackpot who wants to spend some money on a hobby. Since the question has not been answered by the minister, I think we should stand this clause.

These changes have wiped out the old-style concept of the hobby farmer who is tied to his farm. This is the chap who ran a farm, the operations of which were not self-supporting so he also got a job to see him through until he built up his farm. That concept has now disappeared and we are creating a special category which we loosely label "scientific." In our general approach to scientific research in agriculture we have been moving away, as I said a minute ago, from that concept and concentrating on research in universities and research institutions. I would oppose any suggestion that we free taxpayers' money for this sort of thing. I wonder whether the minister would stand the clause so we could look it over, as suggested by the hon. member for Skeena.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have a little more confidence in the individual than the hon. gentleman has. Section 37(1) provides as follows:

> There may be deducted in computing the income for a taxation year of a taxpayer who carried on a business in Canada and made expenditures in respect of scientific research in the year the amount by which the aggregate of
>
> (a) all expenditures of a current nature made in Canada in the year
>
> (i) on scientific research related to the business and directly undertaken by or on behalf of the taxpayer . . .
>
> exceeds the aggregate of amounts paid to him in the year under an Appropriation Act and on terms and conditions described in paragraph (c).

The taxpayer is entitled to a deduction for scientific research anyway.

Mr. Lambert (Edmonton West): Related to the business.

Mr. Turner (Ottawa-Carleton): Related to the business. What we are doing here is allowing the same deduction to be added to the $5,000 deduction that he has if he is not in the business of farming. So there is nothing radically new here. We are just trying to recognize the impetus given by the Income Tax Act now to encourage individuals in this

country—not only individuals working in institutes and on experimental farms, but ordinary individuals—to try to advance the scheme of knowledge.

This has been part of the Income Tax Act of this country, and before that it has been part of the tax law of Great Britain for 300 to 400 years. This research is for the benefit of the public; scientific research is considered to be for the benefit of the public. If this money is expended by somebody not in the business of farming because he has a legitimate interest in trying to advance the knowledge of agriculture, then I submit to the committee there is an argument to be made for his having this expense as an additional deduction.

• (2050)

Mr. Gleave: Mr. Chairman, the minister has not told us why agriculture is singled out from other occupations for this purpose. He said there is provision already in the Income Tax Act for people or for corporations or businesses carrying out scientific research. Of course there must be provision so that research can be carried out. But the minister has not said why he or his colleagues found it necessary to give it particular application to farming. This is the question I have raised, because I say it runs counter to what we have been developing in the past few years in our approach to agricultural research. It leaves it open, I believe, to a fair amount of abuse at the expense of the ordinary taxpayer.

Clause 7 agreed to.

On clause 8.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I am not attempting to belabour this matter, but perhaps you would allow me to reiterate the procedure we established earlier in the day, namely, that the committee suggested I make a statement on each clause and, if necessary, expand later on that short statement.

Clause 8 is a relieving amendment. The present act requires professionals to pay a tax on money received for services to be rendered at a future date. As other businessmen are permitted a deductible reserve against this type of receipt, so should the professional.

Mr. Ritchie: Mr. Chairman, I believe this clause has caused considerable comment. It refers to a "reasonable reserve." As I understand it, the reserve cannot be greater than that claimed on receivables to the end of the year 1971, and there will be a new reserve established every year. Have the rules been formalized concerning how the reserve shall be calculated?

Mr. Turner (Ottawa-Carleton): Basically, the professional has a retainer for work to be rendered in the future. If he has not accomplished the work, then under this amendment he is only bound to take into income that part of the retainer for which he has already rendered service.

Mr. Ritchie: In making a calculation in professional partnerships, I believe this reserve is considered to be very complicated. Does this clause clarify the matter so far as partnerships are concerned?

[Mr. Turner (Ottawa-Carleton).]

Mr. Turner (Ottawa-Carleton): It does not clarify the essential allocation of income in partnerships, but it applies to partnerships and, of course, to partnership assets.

Mr. Ritchie: I would ask the minister if his department would look at this question in order to solve some of the problems in respect of allocation of reserves in partnerships. As I understand it, it is so complicated it may well mitigate against the use of partnerships among professionals. I think the practice of forming partnerships has become a natural process in doing business, and unless the rules are clarified I believe there will be considerable hardship and a great deal of uncertainty over many years.

Mr. Turner (Ottawa-Carleton): I accept the point of the hon. member. We hope to proceed with some clarification which appears to be necessary, and to come up with it fairly soon. But there is nothing in the bill in this regard.

Clause agreed to.

On clause 9 -*Deemed disposition of property where taxpayer has ceased to be resident in Canada.*

Mr. Turner (Ottawa-Carleton): Mr. Chairman, let us look, first, at section 48 of the act. This section provides for the deemed acquisition or disposition of property, as the case may be, where a taxpayer becomes, or ceases to be a resident of Canada. The object of this provision is to ensure that a taxpayer is taxed on the gains accrued during the period of his residence in Canada—and neither more nor less. The so-called departure tax does not apply in respect of property that is taxable as Canadian property. There is a right to receive payment described in any of the paragraphs from 212 subsection (1)(h) to paragraph (o) for other property which the taxpayer has elected to treat as taxable Canadian property. The latter exclusion permits a taxpayer to defer his tax on such property until his gains have been realized.

These amendments are in large measure responsive to representations for modifications to alleviate the burdens on employees who are required to move from one country to another in the ordinary course of their career. The principal change is to permit a departing taxpayer to elect to avoid a deemed realization of capital properties, and he agrees to include in his income the actual gain made when the property is sold.

Mr. Lambert (Edmonton West): Mr. Chairman, I suppose one might say this deals with some of the worms which came out of the can called capital gains. We find that Canadians are moving on a multinational basis, and presumably there will be a lot more moving on that basis. Am I not right that in a ten-year period the residence abroad must not be more than 36 months, and that the provision of capital gains does not apply? Now I see it is in respect of residents coming into Canada; that is the revision. If someone coming into Canada is not going to stay more than 36 months in a ten-year period, he is not caught by the capital gains tax in any way.

What is the situation in respect of a Canadian who goes abroad? We have a number of Canadians in North Africa working in the oil industry. We also have people going off in advance parties all over the world for other valid reasons. I presume if they leave their property in Canada,

such as a house which is no longer their principal residence and they rent it, plus a summer cottage, the property would be subject to capital gains. If it is left here, is it the requirement of the minister, under this provision, to hypothecate, to make some charge, or to leave this property in part as security for any capital gains the individual may have?

What about Canadian military personnel who are posted abroad as military attaches or who are seconded to commands? What about personnel in the foreign service, either in trade commissions or in the consular service? How are these people affected? It might be to the advantage of an individual to sell his house if he should be posted abroad for five or six years. He may decide to sell his house.

Mr. Turner (Ottawa-Carleton): If he elects to defer the tax on the realization until it is sold, then of course I say to the committee he would have to post the necessary security, as the hon. gentleman suggested.

Mr. Lambert (Edmonton West): Mr. Chairman, since this act has been in force for some 15 months, I am wondering whether the minister has any information from his colleague, the Minister of National Revenue, concerning just how many worms are being found in Canada with regard to this particular part. I refer to Canadians leaving this country and having a deemed realization.

Mr. Turner (Ottawa-Carleton): I am advised it is a pretty clean can, Mr. Chairman.

Clause 9 agreed to.

• (2100)

On clause 10—*Where option expires.*

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the hon. member for Edmonton West has asked me for an explanation. This clause is simply a consequential technical amendment to amend the subsection in line with the amendment of subparagraph 65(15)(v) which is made in subclause 18(5).

Mr. Lambert (Edmonton West): What is the effect of it? It refers to "an option to acquire shares of the capital stock of a corporation in consideration for the incurring, pursuant to an agreement"—which is described in another subsection—"of any expense described," and so on. I would like to know what the effect of such an option, or the expense, would be.

Mr. Turner (Ottawa-Carleton): If hon. members turn to clause 18(5) they will see that this, again, is a technical, relieving amendment to the subparagraph to which I have referred, which presently provides that certain exploration and development expenses incurred for shares in Canada, pursuant to an agreement in consideration for shares of a corporation, will constitute Canadian exploration and development expenses.

The changes made to this subparagraph by reason of subsection 18(5) of this bill are the following: The benefit of this subparagraph is widened to encompass all taxpayers instead of only principal business corporations. The amendment makes clear the requirement for shares which are issued as consideration for the incurring of exploration and development expenses are those of the corporation which is a party to the agreement and not those of some other corporation. The amendment makes clear that the phrase "after 1971" applies to when the expenses were incurred and not to when the agreement under which the expenses were incurred was entered into. The amendment also makes clear that it is expenses incurred pursuant to the agreement for activities or acquisitions specified in the amendment that constitute Canadian exploration and development expenses, and not amounts paid for the shares. Obviously, the option for those shares that are related to exploration and development will fall in the same way as the allocation of the shares themselves.

Clause agreed to.

On clause 11—*Convertible properties.*

Mr. Turner (Ottawa-Carleton): Clause 11 is another relieving amendment to section 51 of the Income Tax Act. This amendment removes the restriction that only preferred shares qualify as convertible properties eligible for roll-over treatment, and extends such treatment to common shares as well. As a result, it is now possible to convert one common share to another class of common shares under the protection of roll-over treatment. It has made it easier for companies to take advantage of special rules for distributing pre-1972 surpluses.

Clause agreed to.

On clause 12—*Idem.*

Mr. Turner (Ottawa-Carleton): Clause 12(1) relates to the cost of property acquired by a non-resident. The amendment has a new subsection 52(1.1) to give a cost of the specified property of a non-resident which otherwise would have no cost. Without such a cost, the property when disposed of would attract capital gains tax on the full amount of the proceeds of the disposition.

Clause 12(2) relates to the cost of property transferred by trustee under employees' profit-sharing plans. It is an amendment which is consequential to the changed tax treatment of the distribution of property from employees' profit-sharing plans which is proposed in clause 49 of this bill.

Clause 12(3) is, again, a technical amendment. It ensures that the untaxed half of capital gains can be passed on to beneficiaries tax free, from when they are distributed on a current basis.

Clause agreed to.

On clause 13.

Mr. Turner (Ottawa-Carleton): Clause 13(1) relates to clause 22 of the bill which introduces in section 80.1 of the act special rules in respect of property, or a business taken over by a foreign government in exchange for government bonds or other securities referred to as expropriation assets. The consequential amendments to section 53 which are set out in subclauses (1), (2) and part of subclause (4) of clause 13 provide the necessary changes to the adjusted cost base of expropriation assets for the purposes of the provisions of the act relating to capital gains.

Clause 13(3) is simply a consequential technical amendment to amend section 53(e) in line with the amendment to section 66(15)(b) of 18(5) as (v) in clause 18.

Clause agreed to.

On clause 14—"*Principal residence*".

Mr. Turner (Ottawa-Carleton): Clause 14 refers to the definition of "principal residence." This is a relieving amendment whereby the definition of "principal residence" would bring it within the exclusion of capital gains treatment, and is expanded to include the lease on interest in the housing unit. Disposition of these interests will henceforth be exempt from capital gains tax in the same manner as the principal that is owned by taxpayers. This amendment is in response to inquiries from the Ontario Housing Corporation which administers the HOME plan, and will also cover other situations such as government parks where homes must be or are leased.

Mr. Hargrave: Mr. Chairman, I would like to comment on this "principal residence" clause. I commented this afternoon on this matter, but this is the section of the act where I am sure my comments more properly apply. My remarks deal with what I prefer to call the family farm corporation. There are many of these now. This is a development that has been necessary to maintain the family farm.

At present, the principal residence of the family or corporate farm are not exempt. I suggest that the principal residence clause should apply to the family farm corporation set-up. The way this provision is being interpreted, where the family farm corporation cannot apply, simply means that the residents are the only class of citizens in Canada denied the right of the principal residence exemption, if in fact the minister suggests that a corporation does not require a residence. I suggest that a family farm corporation does indeed require a residence.

The key, of course, is to accept the terminology of family farm corporations. This is the traditional family farm, in the way it is used today, and it should be treated for tax purposes as an individual family farm, not as a large, conglomerate business corporation which is the interpretation given to it in the present act.

• (2110)

Mr. Lambert (Edmonton West): Mr. Chairman, I would like to join with my colleague from Medicine Hat on this matter in that in the consideration of capital gains and principal residence, and the fact that the House some 18 months ago refused to exempt farmlands from capital gains, the residence of the farmer, which is included in the farm, and the value thereof in this particular case, are caught by a capital gains tax. In other words, the farmer who uses his farm home and buildings as his principal residence, under the act is denied the same consideration as any other taxpayer with regard to that person's principal residence. It seems to me that there is a very definite discrimination against the farmer in this regard.

In addition to that, there has been total lack of recognition of what exists in all provinces of Canada to a varying degree—I would suggest to a very surprising degree out in the Prairies and, I am told in parts of Ontario; and certainly I know it exists in parts of the province of Quebec—where the farm has been incorporated either by the farmer and his son, or by the farmer and his wife. Anyway, they have a family corporation, not in the terms that we know the family corporation but at least they have a private company running the farm. The company is the registered owner and the farmer, his wife, and possibly his children, own the shares. But, lo and behold, under this act, if then they sell their principal residence they are caught by the total provision of capital gains on farmlands.

This is what my hon. friend from Medicine Hat is suggesting, that right here at this point in section 54(g) of the act, in determining the principal residence, if we are prepared to say it means a housing unit, or a share of the capital stock of a co-operative housing corporation owned in the year by the taxpayer, if the housing unit or if the share was acquired for the sole purpose of inhabiting the housing unit, and furthermore provide that it is ordinarily inhabited by the taxpayer the year round, and so on, why would it not be possible—if we now make this amendment—where they are going into a very desirable or innovative type of housing, a leasehold interest of a public nature, also to introduce provision covering the shares in the family corporation owning the farm to include the principal residence in the exemption to capital gains? Certainly a strong case can be made for that.

Mr. Blenkarn: Mr. Chairman, the problem in connection with family farms also applies to businesses that are incorporated, where the living accommodation for the private owner is located on the business premises. There seems no reason why the concept of a leasehold interest could not be broadened by changes in this section to allow the leasehold value or the personal residence value not to attract capital gain.

The use of a corporation for estate planning or for moving property from father to son in a corporation is a common method that has been encouraged by ministers of finance and ministers of agriculture in the past. It strikes me it is imperative at this point that the private business with personal residence on it, and that of course would include the family farm—here I would ask the minister to talk on a broader base than just the family farm—should be included by a redrafting of this clause so that the personal residence, or principal residence of a taxpayer, if it is within a privately controlled corporation should still have the advantage of a tax-free capital gain.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, through you I want to say first of all to the hon. member for Medicine Hat that there is no discrimination here against the farmer. The same problem involves every taxpayer who has a personal corporation in which he has put his principal residence. So the same rules apply to a corporation whether the corporation has as a principal shareholder a farmer and his own residence is within the assets of that corporation, or whether anybody in a city or in business has his residence in a corporation. To begin with, there is no discrimination between the farmer, the small businessman or anybody else.

Therefore, the question is really this: Should treatment of the disposition of a personal residence be extended not only to where the taxpayer personally owns the house or

to where the taxpayer leases the house under a situation contemplated by this amendment, but where the taxpayer has put the house into a personal corporation in which there are other assets represented by shares? The difficulty here is how to allocate the transmission of the house against the shares. In administrative terms, it is a potential nightmare. After all, the shares of the corporation represent all the assets of the farm, the land, the principal residence, depreciable property, whether this be the barn or the silo, and the animals. In the case of a small business having a personal corporation, those assets against which the value of shares has been calculated might represent a so-called principal residence, stock in trade, inventory, goodwill and a number of other items.

The act is quite clear at the moment. The personal residence, in order to be given capital gains-free treatment, must be owned by the taxpayer, and the taxpayer is the individual who dies or sells. It becomes a very difficult problem if it is going to be allocated to a corporation, because here again there must have been other tax reasons for having the residence in the corporation property. Surely the answer is to take the principal residence out of the corporation, whether it be a small business or a farm, and allow the residence to be treated as the act expected it to be treated.

Mr. Blenkarn: The minister's explanation does not have any realism. After all, through all these matters of taxation we go on the basis of assessment. Usually in a real estate transaction, if there is no appointment between land, buildings and chattels, the minister's officials will always take the assessment made by provincial or municipal authorities and the like. There is really no problem for the minister to assess the value of a residence included among the buildings of a farm corporation, as opposed to commercial valuation of stock in trade, chattels and the other things that he mentioned.

The problem is that the act refuses to give small businessmen—this includes the farmer and the guy who happens to live in a house from where he runs his trucking business, his garage or service station—any equality with the person who may be an apartment owner and who works for a wage. The government must come to grips with this problem and treat small business equitably. This is a serious problem. On that basis the clause needs to be redrafted to take into account the problems of small business. There is no problem for the assessors. In the past they have had no problem determining the relationship between chattels and land and buildings nor, indeed, has the minister. It has not presented any problems to his office before, and it should not now.

• (2120)

Mr. Hargrave: Mr. Chairman, I suppose the point of my comment about the family farm corporation is that I look upon this as a different structure entirely from the business corporation that I think most people have in mind. In western Canada, our provincial governments recommend that the family farm be incorporated into this type of set-up in order to carry on a viable farming unit. There is no reason why the family farm corporation concept should be treated, in terms of definition, as an individual family farm for purposes of the residence clause and for the five-year averaging.

Mr. Baker: Looking at this clause, I think there is no doubt that there is no discrimination between businessmen and farmers. However, between businessmen and farmers as a group, in the circumstances of this section, and all other types of owners of residences there is in fact discrimination which I do not believe the minister intended.

Another comment I wish to make on the rural aspect is to point out that if a farmer chooses to incorporate his farm and take advantage of the law for an individual owner of a principal residence, it is necessary in the province of Ontario, and I am sure in other provinces, that he obtain a severance of the house and the acreage from the farm and then transfer the farm to the corporation, thereby holding the piece of land with the house on it.

As a matter of fact, at this time in all provinces which have jurisdiction in these matters as a very real onus is placed on the land owner to justify the severance of the land when he makes application for it—particularly in Ontario. I think the suggestion of my friend from Peel South is worthy of consideration, having regard to the peculiar situation in which farmers find themselves in this age of urbanization as a result of the difficulties of land severance. There is a discrimination in the section which I am sure the minister did not intend. I would support him if he saw fit to take this clause back for consideration in order to find some way out of the dilemma. That would be a service to the people who find themselves caught on the horns of this dilemma.

Clause agreed to.

On clause 15—*Bourses d'études de perfectionnement, etc.*

Mr. Turner (Ottawa-Carleton): This is an amendment to the French version, paragraph 56(1)(n). It would make the underlying changes to the text.

Clause agreed to.

On clause 16—*Estate tax applicable to certain property.*

Mr. Turner (Ottawa-Carleton): This amendment would correct a technical feature of paragraph 60(m) which now prevents an intended deduction for taxpayers. Paragraph 60(m) is intended to allow a deduction from certain kinds of income, such as a pension, in respect of estate tax and provincial succession duties that have been imposed on the value of the right to this income. The present wording of paragraph 60(m) makes the deduction dependent upon the property having been taxed under the Estate Tax Act. This makes the paragraph inoperative with respect to property passing as a result of death after 1971 when the estate tax ceased to apply.

The amendment would divide the present paragraph 60(m) into two paragraphs. Revised paragraph 60(m) provides a deduction only in respect of estate tax, and hence applies only to property that was part of a pre-1972 estate. It also drops a reference to the income averaging annuity contracts which did not exist prior to 1972. The new paragraph 60(m.1) provides a deduction in respect of provincial succession duties.

Clause agreed to.

On clause 17.

Mr. Turner (Ottawa-Carleton): This amendment expands the definition of an income averaging annuity in section 61 to include annuity contracts sold by trust companies. The amendment will allow trust companies to compete for this business.

Clause agreed to.

On clause 18.

Mr. Lambert (Edmonton West): I suggest to the House that it would have been worth while to have the comments of the oil industry, the tax specialists or the investment people on this particular clause because this is one of the most complicated parts of the act. The cross-references are innumerable, and I make no pretence of understanding them. We are now getting amendments which say, "such part of his income for the taxation year as may reasonably be regarded as attributable to the production of . . . gas".

In paragraph 66(1)(b), which is the main portion of this amendment, we are dealing with a principal business corporation, and beyond that we are getting into many cross-references. I would be interested to see at least some indication of where the thrust of the amendment is under clause 18. Are we in any way varying the principal occupation here? I do not think so. The information available to the minister and to us on this side is almost nil, yet we are being asked by the officials of the department, along with the drafters of the legislation, to accept highly complex language that is supposedly meant to do something. I am afraid that neither side of the chamber tonight is in a position to comprehend what is being accomplished by the committee accepting amendments.

Mr. Turner (Ottawa-Carleton): It might help the committee if I were to read the explanation of clause 18 and the subclauses. Clause 18(1) is a particular amendment to provide for the order of deduction of Canadian and foreign exploration and development—called "E and D"—expenses for principal business corporations. This amendment provides that foreign E and D expenses will be deducted up to the amount provided by subsection 66(4). Then, Canadian E and D expenses will be deducted under paragraph 66, subparagraph (1), subparagraph (b), to the extent of the corporation's income, after the deduction of E and D expenses. This amendment assures the taxpayer of the right to a deduction of foreign exploration expenses up to the amount of foreign resource income. Without the order of deduction provision it was not clear whether the foreign income would be first reduced by Canadian exploration and development costs, which would limit the deduction of foreign exploration expenses to something less than foreign resource income.

• (2130)

If I may turn to subclause (2) of clause 18, this is a relieving amendment which will allow for increased deduction of E and D expenses by individuals and non-principal business corporations by the deleting of certain restrictions from the act. Individuals and non-principal business corporations are presently entitled to deduct their previous undeducted Canadian E and D expenses to the extent of the greater of 20 per cent of their previously undeducted E and D expenses and the aggregate of their income from oil and gas and mining in Canada, but such income would only qualify if certain restrictions are met. These restrictions are that the taxpayer has to operate and have an interest in the oil or gas well or mine. This amendment will delete these restrictions. May I now refer to subclause (3).

[Mr. Turner (Ottawa-Carleton).]

Mr. Lambert (Edmonton West): Mr. Chairman, may I intervene in order to make clear the particulars of the matter? Has the minister just referred to the elimination of the principal occupation rule with regard to Canadians investing in the exploration and development of petroleum and natural gas?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, it is not really the elimination of the 20 per cent figure. It has to do with the redefining of income that an individual qualifies for.

Mr. Lambert (Edmonton West): Mr. Chairman, the subclause talks about "such part of his income . . . as may reasonably be regarded," and so on. Is the minister depending on the word "reasonable" and, if so, what guidelines will the minister use in that regard?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, as I read this clause, the reasonable action will be left, in the first instance, for the minister to work out with the taxpayer; but the final determination, of course, will be for the courts. Ministerial discretion does not interfere with that determination.

The Chairman: Shall clause 18 carry?

Mr. Lambert (Edmonton West): No, Mr. Chairman. We were discussing subclause (2) of clause 18 and there are five or six pages to go yet. We have not passed clause 18; we have not considered all of it.

The Chairman: Order, please. There are three pages connected with clause 18, and not five or six. Is it agreed that the subclauses on page 16 are carried?

Mr. Turner (Ottawa-Carleton): As I understand it, we have finished subclauses (1) and (2).

Mr. Lambert (Edmonton West): That is right.

Mr. Turner (Ottawa-Carleton): With the consent of the committee, we will now deal with subclause (3). This is a relieving amendment which will allow for possible foreign E and D expenses by deleting certain descriptions from the act. Taxpayers are presently entitled to deduct their previously undeducted E and D expenses to the extent of the greater of 10 per cent of their previously undeducted foreign E and D expenses and of their income from oil, gas and mining outside Canada. But such income will only qualify if some restrictions are met. These restrictions are that the taxpayer has to operate or have an interest in the oil, gas well or mine. The amendment will delete these restrictions.

The Chairman: Shall subclause (3) of clause 18 carry?

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): Subclause (4) is a relieving provision which provides that all corporations, and just not principal business corporations, can be shareholders of a joint exploration corporation. A joint exploration corporation can incur Canadian E and D expenses and can renounce such expenditures to its shareholder corporations, which can deduct them to the extent allowable for calculating their taxable income.

Subclause (5) I dealt with when I was referring to the consequential amendment earlier. This, again, is a technical and relieving amendment. I have put the reasons for it on record.

Subclause (6) is a relieving provision to amend the definition of a shareholder corporation of a joint exploration corporation by removing the requirement for the shareholder corporation to be a principal business corporation.

The Chairman: We now come to subclause (7).

Mr. Turner (Ottawa-Carleton): There should not be any problem with this subclause.

The Chairman: Shall clause 18 carry?

Some hon. Members: Agreed.

Clause agreed to.

On clause 19—*Depreciable and other capital property of deceased taxpayer.*

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I listened with great interest to the debate on second reading, and I suggest that most of the debate on this clause will centre on the transfer, by death, of the family farm. My remarks will relate to clause 19(3) and of course will relate to clause 20 of the bill. I should like to make a few comments about the family farm.

The purpose of the amendment that is now brought before the House is to meet the problem of the transmission from one generation to another of a family farm in circumstances that were set out in the tax reform law which came into force in January 1, 1972, under which there was to be a deemed capital gain upon transmission of the farm; but there was no income or liquidity from which to satisfy the payment of the capital gain.

The distinction between the family farm and any other sort of business is that a farm, by its very nature, tends to be highly capitalized in terms of land and equipment. Secondly, there is a predominantly non-liquid situation in that most of the assets of the farm are tied up in land and equipment. Thirdly, the value of the land is highly volatile; it depends on market conditions prevailing at the time in the area and on other market conditions that may be quite irrelevant, apart from the essential worth of the farm as a going concern. Fluctuations in value might be caused by increased land values because of metropolitan expansion and encroachment.

That being so, it became clear to me when I took on this portfolio that something had to be done to ensure that the deemed capitalization would not hinder the transmission of the family farm from one generation to another in cases where the family intended the land to continue in use as a farm. In other words, something had to be done to prevent a forced sale of the farm in order for the family to meet the debt to the Crown against the deemed capitalization. That is why the amendment is now before the committee.

Some points were made during the debate on second reading to the effect that freedom from capital gain should apply not only to the deemed realization on death but also to any transfer within the family during the lifetime of the farmer, so long as the farm continued as a farm. When we first reviewed the situation it was our opinion that the same situation did not apply during lifetime as applied after death. In other words, the capital gain could only be incurred during lifetime by actual payment, because the actual payments by son or daughter to the father or mother would take place and the capital gain would only be incurred as the moneys were received. If payments were made in instalments, the capital gain would only be due in instalments.

• (2140)

Take the situation where a farm was originally worth $100,000 and increased in value to $200,000 at the time of transfer. There is a capital gain of $100,000. The payments are made in instalments over a ten-year period; they are each $10,000. The capital gain would only be 50 per cent of each of those payments, namely, $5,000 out of each $10,000 payment. The capital gain payable on that $5,000 would only be one half that amount, namely, $2,500 at whatever the taxpayer's graduated rate may be. If it is 30 per cent, it would be 30 per cent of $2,500, which equals $750. That does not appear to be the same type of hardship as deemed realized of a total capital gain. I have looked at the situation. We have consulted our own people. If it is the feeling of the committee that the purpose is to maintain the family farm, the government is prepared to look at this matter seriously. I can recall the words of the hon. member for Bruce at the finance committee, who said this ought to be done.

As hon. members know, subclause 19(3) of this bill would implement the ways and means motion to provide a roll-over for farm profit on the death of the taxpayer. As I have said, this change is to avoid the disruptive effect which the imposition of tax on an accrued gain might have at that time, and thus help preserve the continuity of the family farm. We all want to see that. Representations have recently been made. I listened to speeches by members opposite and by members on the government side, both in caucus and in the finance committee when I was discussing my estimates, very carefully. I read them again to make sure I understood what I heard. Representations were made that this roll-over be extended to transfers during the farmer's lifetime. I am prepared to take that point. I am, therefore, prepared to move the necessary amendments to the ways and means motion when the Speaker is in the chair. This can be handled however Your Honour wishes. If the amendments are accepted by the Chair, I can then make the necessary amendments in committee to clauses 19 and 20.

A new clause No. 20.1 would permit a farmer to transfer his farmland and appreciables to his child by sale or gift during his lifetime without imposition of a capital gain at that time. There are two other consequential amendments I would want to put to the committee at this stage. Hopefully, the committee will think about them and assess

them. A new clause 20.2 would attribute a subsequent gain or loss on the farm property back to the farmer who transfers to a son or daughter if the child sold the property before he or she reached the age of 18. This is the deemed realization of any transfer by a minor. I do not think that any member of the committee or the House would want to see the sale through a child to a third party. I think that is fair ball.

A further amendment to clause 75 of the bill would preserve the transitional rule where the farm was owned by the taxpayer at the end of 1971. Those are the so-called neutral zone rules. The new clause 20.1 would also permit the farmer to set a price on the sale to his child which would realize some capital gain or capital loss where the fair market value of the property had changed, if he desired to have this effect.

In any event, I think the committee would want to see the ways and means motion. Members will want to look at the effects of the amendments. Perhaps we could stand the necessary clauses so that the committee could look at them. I am willing to accept whatever procedure Your Honour wants to adopt. I am willing to table the notice of ways and means motion which will have to be forwarded to Mr. Speaker. I am willing to table the amendments to the bill, to take effect if the House allows the amendment to the ways and means motion and then goes back into committee on these particular clauses.

Mr. Lambert (Edmonton West): Mr. Chairman, I rise on a point of order. I think that would be appropriate, because an amendment to the ways and means motion requires 48 hours' notice. As I understand the future business of the House, we will receive this bill again on Thursday. This would allow the appropriate time to elapse before we take the necessary steps. Certainly we will want to study all the implications. As we have not seen this, Mr. Chairman, it is hard to say whether it meets exactly what opposition members want. I look to the 1971 debate on this point. I refer to the deathbed confessions or repentance on the part of the government with regard to this particular point.

Mr. Turner (Ottawa-Carleton): Just as the amendment would propose switching from death into *inter vivos* or during the lifetime, I want to assure the hon. member that the government is very much alive. He ought to take the analogy very seriously indeed. I hope the members of the committee, in their capacity as members of the House, will waive the 48-hour rule. In any event, the hon. member informs me that we will not get back to this bill before Thursday. He knows more than some of the rest of us.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, even though what is being proposed is obviously welcome, I would not want to suggest that members be asked to waive the 48-hour rule on something we have not seen. I wonder whether this possibility could not be left open. After we have seen the amended resolution in print, we might let it go at 24 hours.

The Chairman: Order. Do other members of the committee wish to speak on the particular point of order?

[Mr. Turner (Ottawa-Carleton).]

Mr. Turner (Ottawa-Carleton): Perhaps I could table these amendments, with consent.

Mr. Lambert (Edmonton-West): Let the committee rise, and we will call it ten o'clock.

The Chairman: Several points are being suggested to the chair at this time. The hon. member for Saskatoon-Biggar wishes to pursue the point of order.

Mr. Gleave: Mr. Chairman, I want to ask the minister a question. When considering this question, did the minister also consider whether it could apply to the family farm corporation? This may not be possible, but I ask the minister if it was considered, because this point was also raised.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I would prefer at this stage to exclude the corporation, whether it applies to the family farm, small businesses or whatever. The exclusions from capital gains treatment of the personal residence applies to the taxpayer. The committee ought to realize that we have a very difficult problem in trying to segregate the assets of a corporation to allocate the transfer either of a principal residence or a farm. This was originally set up to make the farm more liquid, in a transmissible sense, by reducing it to a shareholding. The shares can be transferred much more easily over a period of time. The same lack of liquidity is not apparent in a farm corporation as it is in a family farm. I hope the committee, and eventually the House, will allow this amendment as a recognition of the sociological and agricultural problem of preserving the sanctity and integrity of the family farm.

The corporation question not only involves the family farm, but small businesses, personal residences and corporations. It is a far vaster subject and far more open to problems. I could undertake to look into that question, but I hope the committee will not press the government at this stage because I must say we have not thought all these problems through. They give rise to great difficulty.

• (2150)

Mr. Towers: I should like to ask the minister a question before we leave this clause. For some time we on this side of the House have been trying to get answers from the Minister of National Revenue with respect to the evaluation of farm properties which is presently taking place. To refresh the memory of the Minister of Finance I should like to read a question asked in this House on April 4 by the hon. member for Pembina, as reported in *Hansard* at page 2968.

> Mr. Speaker, I should like to direct a question to the Minister of National Revenue concerning the land evaluation taking place in Canada for tax purposes. Will he inform the House whether the property owners whose properties have been appraised for tax purposes have been notified and, if so, is there an appeal procedure to handle these evaluations?

To that question the Minister of National Revenue replied:

> Mr. Speaker, the valuations which are taking place are for the purpose of future reference. They do not necessarily have any status in law at this point. Valuations from any source can be considered. This information is being gathered to assist parties in the future determination of values.

The hon. member for Crowfoot then asked the following question:

Mr. Speaker, I should like to ask the minister a supplementary question. How can one appeal some five, six or ten years from now when that same assessment is put forward by the department?

The minister replied:

That is not the assessment, Mr. Speaker. The assessment would take place at the time of disposition, and any owner is free to make that kind of valuation himself or obtain one.

The next day I put the following question to the Minister of National Revenue:

Would the minister make available to farmers the evaluation assessments made by departmental appraisers or by those working on behalf of the minister?

The minister replied:

I think perhaps what the hon. member is referring to is not what he and others have been calling valuations but rather information being gathered for a realistic data bank which will assist taxpayers and the department in arriving at valuations on disposition of property. The kind of information that is being gathered, for instance, is the address, the legal description, the sale price, terms of sale, the municipal assessment, the dimension of the land and buildings and the income and expenses at the time of sale where relevant. Obviously, this is mostly available to the buyer and most of it actually comes from public records and observation.

I have found, from my experience over the years, that there is information available to the government which is not available to the farmers concerned. If the government wants to do what is right by the farmers across Canada, they will enter into an agreement with them to establish a value on their property which is acceptable not only to the Department of National Revenue but also to the farmers. If it is not acceptable to the farmer, he should have an opportunity to appeal the decision and clarify the situation during his lifetime; the task should not be left to his heirs. This is an important point and it behooves the government to look into it while other amendments to the act are being considered.

The Chairman: Perhaps it would meet the convenience of hon. members if we rose and reported progress. Then we could receive properly in the House the amendments which are being presented by the minister. Is this agreeable?

Some hon. Members: Agreed.

Progress reported.

Mr. Deputy Speaker: The Minister of Finance (Mr. Turner), in committee, made reference to an important amendment which was being considered. I think that for the interest of hon. members I should refer to Standing Order 60(1) which reads:

A notice of a ways and means motion may be laid upon the table of the House at any time during a sitting by a minister of the Crown, but such a motion may not be proposed in the same sitting.

Perhaps the chair might suggest that we now receive the changes proposed by the minister and agree to have them printed as part of today's proceedings so that our record would clearly indicate exactly what is being proposed, since I gather that the change proposed is of a fundamental nature.

Hon. John N. Turner (Minister of Finance): With the consent of the House, I should like to table an amendment to the ways and means resolution relating to the transfer of a family farm, and to advise the House that when the House again goes into committee of the whole this amendment will be put forward, unless the House would be interested to see the amendment earlier so that there would be sufficient advance notice before we resumed in committee.

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): Perhaps it would be for the convenience of the House to see the amendments we propose before we resume later in committee of the whole.

Mr. Knowles (Winnipeg North Centre): Could they not only be tabled but also printed as an appendix to *Hansard* or to *Votes and Proceedings*?

Mr. Turner (Ottawa-Carleton): I believe the consensus of the House may be that they be printed in *Votes and Proceedings.*

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is suggested I read the following two paragraphs of Standing Order 60:

2. An order of the day for the consideration of a ways and means motion or motions shall be designated at the request of a minister rising in his place in the House.

3. When such an order is designated for the purpose of enabling a minister of the Crown to make a budget presentation, a motion "That this House approves in general the budgetary policy of the government" shall be proposed.

Mr. Turner (Ottawa-Carleton): I will designate Wednesday.

Mr. Lambert (Edmonton West): That doesn't apply.

Mr. Knowles (Winnipeg North Centre): Let's stick with paragraph two.

• (2200)

Mr. Deputy Speaker: Is the motion presented by the Minister of Finance concurred in?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed.

[*Editor's note: For ways and means motions referred to above, see today's Votes and Proceedings.*]

PROCEEDINGS ON ADJOURNMENT MOTION

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

Adjournment Debate

CANADIAN PACIFIC RAILWAY—SITE FOR DUMPING OF GARBAGE FROM METRO TORONTO

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, on February 2 I asked the following question of the Minister of Transport (Mr. Marchand) as reported at page 907 of *Hansard:*

Mr. Speaker, my question is for the Minister of Transport. Three weeks ago, in response to a question from the hon. member for Northumberland-Durham, the Minister of Transport undertook the investigate and report back to the House on the location of the site to be used by Canadian Pacific Railway for the dumping of 400,000 tons of metro Toronto garbage annually for the next 15 years. Has the minister investigated this and can he report to the House which site is the prime site under consideration and the locations of the other five or six sites being considered by the railway?

The Minister of the Environment (Mr. Davis) chose to respond to my question with the following answer:

Mr. Speaker, perhaps I might answer that question. I have discussed this matter at length with the minister of the environment for Ontario. It is substantially a matter for the provincial authorities.

Since the time I spoke with the minister in the House about this matter, CP Railway have made the announcement that they have not decided not to go ahead with the Minto township dump site, but that plans to put one into Hope township near Port Hope are under way. This is a matter of great concern to the people of Hope township, just as it was for the people of Minto township. Certainly a great sight of relief was heaved by most of the people in our area when we discovered that this dump site was not going to be forced on us.

Since that time an article has appeared in the Mount Forest *Confederate* which indicates we may not be completely off the hook yet. In the Thursday, March 1 edition of the Mount Forest *Confederate* there appear the following three paragraphs:

Barbara Murray, full time worker for Derail Dumps Today, feels that the group may set be in for a fight with CPR over garbage. She formed her opinion after talking to CP officials at a four-day information exhibition in Hope township.

It has been rumoured for several months that CP wanted to establish a land fill site in Minto township. The rail company announced last week that they would be asking the Ministry of the Environment for permission to operate a site in Hope township about 55 miles east of Toronto.

Speaking with John Cox, public relations representative for CP, she learned they may apply for a site in Minto if the proposal in Hope does not go well.

This is a matter which still concerns our area. We believe that it is the right of small municipalities to determine for themselves the kind of developments that take place in their own communities. We believe that a large and powerful corporation like CP Railway does not have the right to ride roughshod over the wishes of local citizens, who should be fully consulted about such matters.

We also believe that CP Railway have been extremely negligent. They have been extremely secretive about their plans, and only told the people of Hope township what they had in mind for them after they had prepared a massive public relations presentation. At no time did they really level with the people of Minto township. People may now wonder whether Minto township is off the hook and whether this debate we are having tonight is still relevant. To me it is very relevant. It raises much broader issues than merely the future of Minto township; it raises questions as to the role of the Department of the Environment in regulating environmental matters in this country.

The minister seemed to feel that this matter was strictly within provincial jurisdiction. I disagree. I believe in the case of Minto township there is a possibility that the fishery may have been polluted—section 33 of the Fisheries Act gives the federal government responsibility for fisheries, pollution—and to the people in Minto township it is an important matter. I also believe that there is a possibility that water systems could be polluted which ultimately flow into international territory, so the federal government should show an interest there too.

Beyond that, it is the federal government, not the municipal or provincial authorities, who is responsible for making sure that good corporate citizenship is shown by the great train companies in this country. This they have not done. The train companies have shown extremely poor faith in dealing with the people in my area. They have closed down train passenger services in my area. They have allowed their rights-of-way to go to weed, to the detriment of farmers' fields, and they have not shown any concern to keep up fences along the rights-of-way. This is symptomatic of the way that CP and CN view the people of this country. The federal government has responsibility for making sure they act as good corporate citizens.

Beyond that, there is the question whether the Department of the Environment is to be construed as anything but a simple piece of window-dressing for the government. We all know it has very little responsibility north of the sixtieth parallel, for example. If you get north of that area the responsibility is that of the Department of Energy, Mines and Resources and the Department of Indian Affairs and Northern Development.

There is also the question of what is being done in southern Canada. It is very little. The federal government has shown little initiative and little imagination in this matter. For example, the province of Ontario is quite willing to go ahead with massive projects in conjunction with the municipalities, the federal government and corporations in order to get to work in recycling the projects which could prove valuable for the whole of this country. The provincial government is willing to free the money for this, but the federal government has proved to be very lax in this regard and has shown very little initiative in providing any leadership.

We are also concerned because in many small municipalities the question of sewage treatment is a matter of life or death. Often the municipalities are not able to grow unless they can put in proper sewage facilities. The municipalities do not have the money to do this. The government of Ontario has come through with money for this, but the federal government has once again shown it has little interest.

I believe this is an area where the federal government could be active. As we enter the next decade we will have to be more and more concerned about making peace with the environment, if we are still concerned about the sort of quality of life our children will inherit. I think there is no other area in this country where the federal govern-

ment could pay more important and essential attention than this area. There is no other area in the whole of this country in respect of which the government has been more negligent in taking action.

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, my minister answered the question earlier, and I would like to elaborate on it to some degree now. The acquisition of any property which might be developed as a waste disposal site is solely a matter between the vendor and the purchaser—in this case, private property owners in the Port Hope area and Canadian Pacific Railway. I understand that Canadian Pacific now owns the land in question. Control of the development of the lands for waste disposal purposes can be exercised at the local level by municipal bylaws and in particular zoning bylaws passed under the provisions of the Ontario Municipal Act. Use of land, contrary to the provisions of any bylaw, would be illegal and if the bylaw is to be amended it would require the approval of the Ontario Municipal Board. This will be required in this case.

Approval for the development of lands for waste disposal sites comes under the direct control of the ministry of the environment of the province of Ontario. Before a certificate of approval can be granted for a waste disposal site, a formal application must be received by the ministry and a public hearing before the environmental hearing board must be convened and completed. The environmental hearing board will hear arguments for and against the proposal and report to the executive director, air and land pollution control division, who will then decide whether a certificate should be issued and, if so, under what circumstances and with what conditions.

For a certificate to be issued, the acceptability of the area will have to be proven to the ministry of the environment, which will also specify development and operating procedures. In the event that the executive director refuses to issue the certificate, the applicant can appeal the decision to the pollution control appeal board which will hear evidence supporting the proposal and in support of the refusal. This board can direct that a certificate be issued.

The present status is that the province of Ontario has recently received an application for a certificate, but no date has yet been set for an environmental board hearing. The position of the municipality of metropolitan Toronto is that the Canadian Pacific Railway is the sole agency responsible for acquiring and developing the waste disposal site subject, naturally, to receiving approval of site from the provincial ministry of the environment. The initial commitment between the two parties is for Canadian Pacific Railway to transport and dispose of 400,000 tons of refuse per year, representing approximately 25 per cent of the waste generated in the metro Toronto area, in accordance with provincial regulations and at an agreed unit cost of $6.35 per ton. There are two fundamental points to be recognized. The management of waste comes under the jurisdiction of the province of Ontario, and the proposal by CPR will be subjected to close scrutiny both in the public forum and by professional staff in the provincial government. The socioeconomic and environmental concerns will be fully examined.

• (2210)

The CPR is making an effort to expand the type of service available to potential clients. The concept of rail haul is new to Canadian waste management practices and comes at a time when large urban centres are facing serious problems in providing waste disposal facilities. This problem is probably most acute in the metropolitan Toronto area.

The Acting Speaker (Mr. Laniel): Order, please. I regret interrupting the hon. member, but according to Standing Order 40 he is limited to three minutes. I see from whatever notes he has that he might go beyond one or two minutes more, and I cannot allow that.

AGRICULTURE—FEED GRAIN—SUGGESTED ADDITIONAL COMPENSATION TO WESTERN PRODUCERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I want to speak briefly on the question which I asked the minister in February regarding the method of pricing feed grains domestically in the eastern market and in British Columbia. I was concerned with the eastern market.

This matter arose out of questions which I asked, in the committee on miscellaneous estimates, of Dr. Perreault of the eastern feed board regarding prices at that time. According to the information he gave me, for example, we were selling barley at $1.53½ at eastern ports and at $1.63 at Thunder Bay. When you put it on a tonnage basis, we were selling barley to the Montreal market at $65.54 a ton whereas U.S. corn in Montreal at that time was selling at $68.93 a ton. I am interested in asking the minister what policy is being followed and what policy will be followed in arriving at a price that is fair and equitable.

It is significant that at the same time as I asked these questions in the committee, I was told that previously we had charged the domestic market more than the export market. This information came out also at a seminar of the Canadian Federation of Agriculture held in Ottawa in the winter. It seems to me that if we are going to be fair and practical, we must adopt a method of pricing in the eastern feed market that is more consistent than heretofore. One yardstick that has emerged as being reasonably good is the price of U.S. corn in Montreal. That is the competitive product. The other could be the export market which we could use. But in my view the main thing is to adopt a policy that is known to the western farmer who is the producer, and to the eastern farmer who may choose to buy.

I think we will probably need a good benchmark much more in the future than we have needed in the past. The European market is changing, with Great Britain entering the Common Market. This means a single market for practically the whole of western Europe so far as pricing procedures are concerned. Freight rates may again come under review, but that is another matter. The main thing I am concerned about in raising this question with the minister is the pricing method which it is proposed to follow, while at the same time leaving the Canadian Wheat Board free in exercising its judgment as to the day to day pricing. This factor has to be borne in mind.

I note that in his answer to my question the minister said he thought I was in favour of Wheat Board marketing. He is quite right, I am. I believe we need to leave the Wheat Board in a position that it is free to make its day to day decisions, but the producer and the feeder should also know within what frame of reference the general policy is operating.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I welcome this opportunity to say a few words in answer to the question of the hon. member for Saskatoon-Biggar (Mr. Gleave). For quite some time now the Canadian Wheat Board in effect has been pricing barley into the Canadian domestic market, outside of the designated area, at prices which bear a fair relationship to the competitive potential of American corn. It has done this during a period of time when world grain prices were very low and where, on occasion, in order to continue to move our products into markets and to secure and maintain customers it was willing to offer barley at prices fairly low throughout the world. It at that point offered at prices somewhat higher in eastern Canada and British Columbia, maintaining that competitiveness with American corn which has marked our pricing since about three years ago when the Wheat Board decided to compete and avoid the entering into Canada of the American feed grain product.

It has now been holding those markets in British Columbia and eastern Canada against competitive corn really on the same principle, even though on occasion and for a variety of reasons international prices may have been higher than American corn, as they have in recent days. It is interesting that when domestic prices were higher than international prices, they still were very low prices, generally not covering the cost of production. Now that they are falling behind international prices, they more likely reflect a fair return.

There is another consideration facing us which we will be dealing with in the days ahead, and that is the challenge to maintain a fair relationship between feed grain prices in the designated area and prices outside that area. The government has committed itself to maintaining that relationship by a formula which we hope to announce prior to August 1, the start of the new crop year. That is important in order to maintain a fair balance between competitiveness of the different regions of the country.

In answer to the direct question of the hon. member, I would say that for the last several years it has been the Wheat Board's policy to price Canadian barley in relation to American grain, and that has been shown by a generality of price as much as $5 a ton less than American corn although occasionally creeping up as high as $3.50 a ton below the American corn price.

• (2220)

[*Translation*]

NATIONAL CAPITAL—INQUIRY AS TO PURCHASE OF LASALLE ACADEMY

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, on March 20 last, I asked the government, and in particular the Minister of State for Urban Affairs (Mr. Basford), whether the historical LaSalle Academy building, which is located in my constituency, had been purchased by the federal government, and if so, to what end?

We have since been informed that the government has purchased the building in question, and that it will carry out repair work with a view to preserving it, aging the exterior, that is, giving it its former look, and modernizing the interior to house the Department of Urban Affairs. Mr. Speaker, all who live in the national capital welcome the news that the building will be renovated and preserved.

There can be no doubt that this federal government purchase is a wise decision, in contrast, some would say, with the fate of the Rideau street convent. We are all aware of the great changes that are taking place in our city centres; we all agree that the old areas of our cities need redevelopment for the modern world. Unfortunately, our insatiable thirst for modernizing threatens the existence of many older buildings, to make room for bigger, more modern and often more profitable ones. Sometimes these soap box constructions are outstanding only for their ugliness, and they are sometimes sterile from their conception.

In any event, Mr. Speaker, the purchase of the LaSalle Academy by the federal government really fits in well with the program for the renovation of the west part of Lower Town; this program which bears the label "Centre Rideau" is part of Phase II of a complementary project doubtless intended as the counterpart of a similar project now under way in our twin city, Hull.

I rose, Mr. Speaker, not only to recognize the soundness of that purchase but also to point out the importance of the name LaSalle for generations of Canadians, Francophones as well an Anglophones in the Ottawa area, and to suggest to the government that the building should keep its name of LaSalle.

Built in 1852 by the bishop of Ottawa to lodge the Bytown College, later to become the Ottawa University, it became a hotel in 1856 where part of the Queen's 100th Regiment was billeted during the Fenian War; later, it was leased by the Ottawa Separate School Board to be used as a school by Notre Dame Parish, in Ottawa. The Brothers of Christian Schools had been teaching there since 1870. In 1889, they bought the building where they dispensed Christian and French teaching until 1971.

In fact, Mr. Speaker, for over 100 years the Brothers of Christian Schools have been giving quality teaching and pupils have been receiving serious and religious academic teaching. Being my Alma Mater, Mr. Speaker, I must say I deeply regret the disappearance of this institution which has been integrated into the Ontario secondary French public school system.

All the same, we rejoice that the building will remain, and I think, Mr. Speaker, that I express the wish of all the people of Ottawa, of the Academy alumni, of all the French-speaking and English-speaking people of Ottawa and Hull, who know that building under the name of LaSalle. I think I can rightly speak in their name and ask the government seriously to consider keeping the name of LaSalle for that building.

More and more, Mr. Speaker, citizens' groups conscious of the historical value of some old buildings not only fight

for their preservation but are also convinced that they represent an integral part of our cultural heritage and our indentity.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, in co-operation with the Department of State for Urban Affairs, the Department of Public Works has purchased the LaSalle Academy building for the price of $1 million. When the building has been restored to its original 19th century state, it will house the Department of Urban Affairs. This acquisition comes under the government's policy on the restoration of buildings in the lower town and on the redevelopment of residential and commercial areas, which is an improvement on simply demolishing the old buildings.

[*English*]

The choice of the LaSalle Academy complex was a deliberate one. It is a unique urban opportunity for the Minister of State for Urban Affairs (Mr. Basford) to symbolize in the national capital area one of the goals he holds for communities and neighbourhoods throughout Canada. Renovating a viable heritage property in Canada is a case of practising a policy we are preaching. It reflects our concern with the revitalization of older neighbourhoods and with business districts in the downtown cores of Canadian cities. It reflects our concern that the character of older communities be preserved when they are worth preserving, and it reflects our feeling that the recycling of older districts is as important as the creation of new communities and new housing developments.

The proof of our concern lies not only in the choice of our future headquarters, however. It also lies in the Neighbourhood Improvement Program and other measures now under discussion by the House in Bill C-133. By preserving and renovating the LaSalle complex, which includes two other, more modern buildings, the ministry is demonstrating its belief that older buildings and neighbourhoods of historic significance need not be destroyed or preserved merely as museum pieces.

The purchase of the site is consistent, too, with plans for urban renewal in the Byward market-lower town area. Hon. members may recall the plans announced in the fall to sponsor the rehabilitation of a 50-acre area in lower town near the LaSalle site. This will involve the co-operation of all governments involved and participation from businessmen in the national capital area. Plans for renovating the LaSalle academy complex are now being completed by the Ministry of State for Urban Affairs and the Department of Public Works. The restoration of the buildings to a viable economic and social future will in turn stimulate the preservation and rebirth of the surrounding area. In this way, the ministry will have served as a catalyst to make the historic lower town area once again a focal point in Ottawa's business life and in the daily affairs of its residents.

[*Translation*]

Mr. Speaker, I can assure the hon. member for Ottawa East that his remarks on the naming of the building will be brought to the attention of the minister tomorrow morning.

[*English*]

Motion agreed to and the House adjourned at 10.28 p.m.

APPENDIX "A"

Analysis of Clauses (or Subclauses) Appearing in Bill C-170 and not Referred to in the Ways and Means Motion

A. *Consequential changes*—15

10, 12(2), 13, 26(3), 28(4), 28(5), 43, 45, 46, 52, 59, 66, 74(4), 74(5), 88

B. *Clarification of the French Version*—8

15, 23(1), 31(1), 35(2), 50(2), 62, 69(1), 74(2)

C. *Clarifying Changes of a Technical Nature*—16

2, 3, 5, 19(1), 21, 33(2), 40, 42(2), 49(1), 68(1), 69(3), 70(1), 74(1), 81, 82, 89

HOUSE OF COMMONS

Tuesday, April 10, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

ENVIRONMENTAL AFFAIRS

STATEMENT BY MINISTER ON DISCUSSIONS WITH CHAIRMAN OF UNITED STATES PRESIDENT'S COUNCIL ON ENVIRONMENTAL QUALITY

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I would like to inform the House about my discussions yesterday with the Hon. Russell Train, Chairman of the United States President's Council on Environmental Quality. Mr. Train is the cabinet level adviser to the president on environmental matters.

Among other things, I drew Mr. Train's attention to the impressive list of studies being carried out by the Canadian government and industry to ensure the protection of our northern environment, especially in respect of the Mackenzie Valley corridor.

We had an exchange of views on the protection of the boundary areas of our coasts, especially protection from oil spills. Mr. Train and I agreed that on the Pacific coast, in the Georgia Strait-Puget Sound-Juan de Fuca Straits area, a better understanding of the marine ecosystem is essential for the effective management and protection of these waters. We arranged to meet soon with United States scientists and other experts to start a comprehensive and detailed joint study which will provide the basis for programs and other measures to protect and enhance the environment of this area.

Since my meeting with Mr. Train last July a joint contingency plan has been prepared which will be effective in the boundary waters of the Pacific and Atlantic coasts as well as in the Great Lakes. The contingency plan for the Great Lakes has been in effect for over a year, and on several occasions it has proved highly successful in containing and cleaning up oil and other hazardous substances. Within a few weeks we shall have a Canada-U.S. agreement which will bring fully into effect similar joint plans on our two coasts.

Mr. Train and I reviewed at length the serious problems of high water levels in the Great Lakes. There are, of course, very severe limitations on what can be done to lower these levels. The fact is that the lakes are full as a result of record levels of precipitation, and the only means of affecting the levels is by controlling the outflows from Lake Superior and Lake Ontario. The International Joint Commission is at present considering a plan to increase storage in Lake Superior, and will hold public meetings on this plan in May.

Mr. Train asked me for my views on several proposals now before the U.S. Congress to increase the outflow of water from Lake Michigan at Chicago. I replied that Canadians would doubtless object to any proposals which would amount to an export of water from Canada.

Some hon. Members: Hear, hear!

Mr. Davis: I asked Mr. Train about progress on the U.S. side in implementing our Agreement on Great Lakes Water Quality. Mr. Train was well aware of the concerns which have been expressed about the timing of the U.S. programs. He undertook to provide further details about the flow of U.S. federal government funds this year and next year for the construction of municipal sewage treatment projects in the Great Lakes basin. I reported that on our side, with the co-operation of Ontario, the municipal sewage treatment plant construction program is ahead of schedule. This is the result of our research efforts which have substantially reduced the capital cost of phosphorous removal facilities and speeded up construction. Mr. Train assured me of the determination of his government to meet its commitments and schedules under the agreement, although he suggested there might be some slippage in timetables.

We discussed the proposal to raise the Ross Dam in the state of Washington, which would result in the flooding of the Skagit valley upstream in British Columbia. I conveyed to Mr. Train our determination, and the determination of the British Columbia government, not to allow the Skagit Valley in Canada to be flooded. I also made clear our desire to seek a negotiated settlement which would take account of the legitimate rights and interests of the Seattle City Light and Power Company. Mr. Train said that his government's position was that a valid contract exists between Seattle City Light and Power Company and British Columbia, and that any solution must be arrived at within this context. We both agreed on the desirability of bringing the parties directly concerned to the negotiating table at the earliest possible moment.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, on behalf of my party I want to thank the minister for his statement. I want to make it clear that we in this party are very cognizant of the importance of ongoing discussions such as have taken place over the past day with the President's adviser on environmental matters meeting our own Minister of the Environment (Mr. Davis). Having said that, however, I think that in part of the minister's statement questions are raised rather than answered.

• (1410)

I refer to the minister's remarks on the discussion that he had with Mr. Train on the Mackenzie Valley route. He did not say in his statement to the House just what the implications of those discussions were or what he really

said to Mr. Train. The minister is reported in the press as having said that the Mackenzie is our "trump card"; presumably this is in connection with using the Mackenzie corridor as an alternative to the tanker route.

The minister goes on to say, as reported in the press, that he personally does not think that these great oil tankers will be moving in the critical areas off the west coast, but there is no indication in the statement he made today why he believes that. I would remind all hon. members that it is very dangerous for ministers to make statements indicating that a danger that the public is aware of is not in fact a danger. I would remind the minister that statements along the same line have been made in connection with the Skagit River flooding problem. Now we have further similar statements made by the minister with respect to the threat to the west coast by tankers. Apparently the minister is of the opinion that this probably will not take place, but there is nothing in the statement to indicate that Mr. Train agreed with this.

When the minister talks about using the Mackenzie as our trump card, it must indicate, if that is government policy, that a decision has in fact been made by this country that we are going to have a transportation corridor down the Mackenzie. I remind all hon. members that this is not really consistent with the position taken by the Minister of Energy, Mines and Resources (Mr. Macdonald), that there is in fact no decision and that Canada awaits an application to the National Energy Board. Hon. members will recall that a motion was moved by this party to have this matter referred to a parliamentary committee of all parties in order that a cohesive policy could be worked out and presented to parliament rather than to leave us dependent on what are perhaps only the pious hopes of the minister whose aim is to placate those people on the west coast who are concerned about the potential pollution problems along that coast.

The minister referred to the Skagit Valley. Some months ago this was considered by the government to be a dead issue but it keeps recurring. It is quite clear from the minister's statement that the American position is that British Columbia and the city of Seattle have a binding agreement, but there is no suggestion that the Americans have agreed in principle with our position that the valley should not be flooded. In consequence, the negotiations that will take place are very much up in the air and we do not know for certain what the outcome will be. When the minister talks about the contract between British Columbia and the city of Seattle and the legitimate claims of compensation by Seattle, it should be remembered that there is some serious question about whether that contract, whether the agreement and whether the IJC order are in fact legal and binding. I would hope that this government is not, by the use of loose wording and sloppy comments, putting the country or the province of British Columbia into the position where it will be impossible, when dealing with the Americans on the subject, to raise as a defence to their exaggerated compensation claims the legal defence that in fact the IJC order is not valid and, as a consequence, the agreement subsequently signed is not valid either.

The minister also referred to the Great Lakes Water Quality Treaty and indicated that Mr. Train said there might be some slippage with respect to the United States meeting the deadlines regarding the regulations that they must meet, as mentioned yesterday, by April 15. I hope that there will be some assurance from the government today that the Canadian position is that the regulations which were in fact supposed to have been ready are ready and that there is no delay so far as Canadian participation in the preparation of these regulations is concerned.

Lastly, I want again to emphasize the importance that my party puts on ongoing discussions. I thank the minister for his statement but I end with the warning that statements made in the House of Commons ought to be consistent with statements made outside the House of Commons. It ill behooves the government or any member of it to make statements that tend to lull the citizens into an acceptance of a position in which they do not have to continue to maintain vigilance in areas as important as the pollution threat to our west coast.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, the members of the New Democratic Party in the House welcome the interesting statement made by the Minister of the Environment regarding his meeting with Hon. R. B. Train, Chairman of the United States President's Council on Environmental Quality. I should like to tell the minister that such meetings in our opinion are very essential if we are to obtain a united approach to our joint international environmental problems. Some of the comments made by the minister were extremely interesting. He covered ten specific points. There is not enough time to go over them in any detail, but I must say he has given us just enough information to make hon. members start asking questions about the depth of the talks he had with Mr. Train.

To begin with, he mentioned the discussion and the turning over of information to Mr. Train in connection with the Mackenzie River Valley. I suggest that the minister ought to level with the House and turn over the same type of information to hon. members.

We have not received in detail the context of the studies that have been done on the Mackenzie, and we should like to know whether the minister indicated clearly to Mr. Train that this could be the alternative to a tanker route down the west coast of British Columbia. It is time that members of the opposition were taken into the minister's confidence. It is time that we had a full and open discussion on where Canada is going with respect to this problem.

I might mention another interesting point. I noted that there was talk about an exchange of information regarding the east and west coasts of Canada, what they are going to do to control oil spills and so on. This is good. I suggest to the minister there is one very important factor that must be taken into consideration if we are to prevent oil spills, and that is the setting up of some type of traffic control system on both the east and west coasts. It must be a very efficient control system that will go a long way toward eliminating the numbers of shipwrecks that take place resulting in disastrous oil spills which affect the ecology and marine life of both the east and west coasts of Canada.

Another point that certainly warrants comment is the fact that Mr. Train asked for the minister's views on several proposals now before the United States Congress to increase the outflow of water from Lake Michigan at Chicago. Our party views with apprehension any suggestion of increased Canadian flows to any river in the United States. It means a further export of Canadian water before any discussions are entered into. I was pleased to hear the minister say that the Canadian public would probably not look upon it with favour. I agree with him. Parliament and the people of Canada must jealously guard this great natural resource and ensure that we do not make any more mistakes such as we made with the Columbia River treaty when we gave away a tremendous power potential for peanuts.

• (1420)

There is another point in connection with the clean-up of the Great Lakes. The minister used the term, "slippage in the timetable." I suggest to the minister this is not the only timetable where some slippage has taken place. We have had some slippage in our timetables as far as environmental problems in Canada are concerned. I suggest to the minister that we very carefully examine not only the water pollution problems in the Great Lakes but the problems relating to air pollution. There is a vast amount of air pollution drifting into Canada and an exchange of pollution in the international boundary area. This must be taken into consideration and some satisfactory solution worked out at a very early date.

I wish to make some comment on the Skagit. I come from British Columbia and, as the minister indicated, we do not want the Skagit Valley flooded. I think it has been made clear to the American authorities that under no consideration will we go along with the raising of the Ross Dam and the flooding of the Skagit Valley. I urge the minister and the government to take a much firmer stand and to tell the American authorities that under no consideration are we going to allow the dam to be raised and a further chunk of Canadian territory flooded.

I welcome the minister's statement. I hope we will have further clarification of what he has said today.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I thank the hon. minister for informing us of his conversations with Mr. Train, the American government representative, about the Canadian environment.

Mr. Speaker, before making any comments, I should like to point out to the minister that I was given the English version of his statement at 1:45, and that when I came to the House at two o'clock I was sent a polite note that reads as follows:

We regret to inform you that the French translation of this statement has not reached us in time for us to let you have a copy.

Please rest assured that we will take steps to prevent any reoccurrence of such a delay.

And I have just been given the French version at 2:15.

Mr. Speaker, an Official Languages Act has been passed in Canada by the federal parliament and I consider that the Prime Minister (Mr. Trudeau) should instruct all his ministers to issue their statements in both official languages. If a statement is in French, there should be an English translation to accompany the French text, and vice versa. In this way, there would be no problem about two official languages. Before we speak about the environment, we should deal with the matter of the two official languages. I therefore suggest that the right hon. Prime Minister instruct his ministers to that effect. I have nothing against either of the two languages, on the contrary, I should like to see them both respected, first of all in parliament, because it is we who passed the act.

Mr. Speaker, with regard to the environment on our east and west coasts and in the Great Lakes, and also to air pollution, I consider that it is in the interests of both the United States and Canada to come to fair, not "lion's-share" agreements by which the Americans would take their responsibilities, and Canadians would follow suit in order to protect the environment in our country and, incidentally, in the United States.

I feel that studies, discussions and talks which took place during these past few days specifically tend to halt pollution of Canadian territorial waters, of the Great Lakes as well as of the air. I urge the government to pursue the debate, not indefinitely and to no purpose, but in a manner likely to solve the problem and allow to depollute water and air and thus protect our population.

[*English*]

Mr. Stanfield: Mr. Speaker, I raise a question of privilege at this time because I have just been informed that members of the press gallery have been excluded from the government lobby. I just want to say I hope no attempt will be made by anybody to prevent members of our party from having the privilege of meeting members of the gallery in our lobby. We have found that the opportunity available to members of the gallery to meet members of our caucus in the lobby has not been abused, and we certainly do not intend to raise any objection to their continued access to our lobby.

Some hon. Members: Hear, hear!

* * *

SOCIAL SECURITY

FAMILY ALLOWANCES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I rise pursuant to Standing Order 43 on a matter of urgent and pressing necessity to request the unanimous consent of the House to move a motion.

Since the inception of family allowance payments in 1945 the consumer price index has more than doubled to its present level of 145.7 per cent and as a result the mothers of this country have lost the race between population and inflation. As an interim measure to tide us over until a better system could be developed, family allowances have not only failed to close the gap between 1945 buying power and present buying power but have also failed to increase in step with the constant escalation in the cost of living. So it is obvious that motherhood has lost

its battle with inflation. I therefore move seconded by the hon. member for Hillsborough (Mr. Macquarrie):

That the government come to the aid of motherhood in its fight against inflation by reintroducing the family income security program into the House no later than the end of this week, and, further, that it restore the buying power of the family allowance for all Canadians to bring it in line with the 1973 consumer price index.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

FLOODS

HIGH WATER LEVELS OF GREAT LAKES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I wish to move a motion under Standing Order 43 concerning an urgent matter which has already been touched upon in the statement made by the Minister of the Environment, that is, the growing damage being caused in the Great Lakes area by high water levels in that lake system. I hope the hon. member opposite whose job it is to shout "No" to every proposition under Standing Order 43—

Mr. Speaker: Order, please. Will the hon. member kindly indicate the terms of the motion so that the Chair may inquire whether there is unanimous consent under the terms of Standing Order 43?

An hon. Member: No!

Some hon. Members: Oh, oh!

Mr. Grier: I will, Mr. Speaker. I move seconded by the hon. member for Brant (Mr. Blackburn):

That the government make Canadian forces personnel available to assist the municipalities in constructing protective works at no cost to the municipalities involved, and further that the government offer emergency short-term funding, to be shared on a 50-50 basis with the provinces, to pay for the cost of such works.

• (1430)

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

[Mr. Carter.]

UNEMPLOYMENT INSURANCE

REGULATIONS APPLYING TO FISHERMEN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, because of the fact that persistent representations to the Minister of Manpower and Immigration (Mr. Andras) and the Minister of the Environment (Mr. Davis) have not resulted in the elimination of the discriminatory aspects of unemployment insurance regulations as they pertain to fishermen, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That a special reference be made from the House to the committee that these regulations be immediately reviewed with the aim of eliminating discrimination against fishermen which is now placing thousands of fishermen unnecessarily on welfare.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The hon. member's motion cannot be put.

* * *

FOOD PRICES

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

On the order: Motions:

April 3, 1973—Mrs. MacInnis (Vancouver-Kingsway):

That the first report of the Special Committee on Trends in Food Prices, presented to the House on April 2, 1973, be concurred in.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order respecting the procedure of the House today. I can say that there have been discussions among representatives of all the parties in the House, including one of the representatives of the independent members, and I think you will find that there is agreement on two points. The agreement is, of course, subject to the debate itself being allowed.

The two points are, first, that the motion be moved and that the debate take place not now but after the oral question period and, second, that the time limit on speeches in today's debate be 30 minutes for the first spokesman for each of the four organized parties and 20 minutes for all other speakers. I believe you will find that there is agreement on these two points.

Mr. Speaker: Is it agreed and so ordered by the House?

Some hon. Members: Agreed.

Mr. Speaker: Hon. members may recall that when the motion was originally put there was some doubt on the part of the Chair on a small though perhaps important point of order but one which in the view of hon. members might be overlooked. In any event, this aspect of the matter might be looked at briefly when we reach the item on the order of business after the oral question period.

Is it the wish of the House that we proceed with routine proceedings, then go to the question period, and then return to motions for the purpose of putting the motion standing in the name of the hon. member for Vancouver-Kingsway?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

ENVIRONMENTAL AFFAIRS

ABANDONMENT OF CHERRY POINT OIL TANKER TERMINAL BY UNITED STATES AS CONDITION FOR TRANSPORTING ALASKA GAS THROUGH MACKENZIE VALLEY PIPELINE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of the Environment. When the minister says that he hopes to persuade the United States to abandon Cherry Point as a terminal for the tanker route down the west coast from Alaska and to go farther down to California as the terminal, can the minister say whether he made it clear to the hon. Mr. Train that the Cherry Point terminal is unacceptable to Canada, and that this terminal must be abandoned as a necessary basis for any co-operation with interests in the United States in transporting natural gas from Alaska via a Mackenzie valley pipe line to the United States mid-west?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, at our meeting yesterday we discussed pollution problems and environmental hazards along the boundary between Canada and the United States. We did not discuss oil and gas policy as such.

Mr. Stanfield: Mr. Speaker, when the minister says that he hopes to persuade the United States to abandon Cherry Point as the terminal for the tanker route from Alaska, does this mean that the government of Canada has decided to take the position that the elimination of the Cherry Point terminal should be a condition prior to any co-operation or agreement regarding the use of a Mackenzie valley pipeline for the transmission of gas from Alaska to the United States mid-west? Has the Canadian government taken such a position?

Mr. Davis: No, Mr. Speaker, but I can tell the Leader of the Opposition that Cherry Point is now adequately supplied with oil through the Trans-Mountain line from Alberta, and I believe this should always be the case.

Mr. Stanfield: Mr. Speaker, I wish the minister would answer the question, but I think he did when he said no. When the minister says that he hopes to persuade the United States to abandon Cherry Point as a terminal, does that mean that the Canadian government has already agreed to the construction of a gas pipeline down the Mackenzie valley to transport gas? Or is the position of the Canadian government still that frequently enunciated by the Minister of Energy, Mines and Resources, namely, that this is a decision that must be made by the National Energy Board? In other words, does the minister know what he is talking about?

Mr. Davis: Mr. Speaker, the Leader of the Opposition posed two questions. The answer to the first question is no, and the answer to the second question, namely, whether I know what I am talking about, is yes.

ADEQUACY OF PROTECTIVE MEASURES AGAINST POTENTIAL OIL SPILLS OFF WEST COAST

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a supplementary question for the Minister of the Environment. Having in mind the criticism in recent days by the head of the Science Council of Canada, Dr. McTaggart-Cowan, of what he calls the snail's pace progress being made by the Minister of Transport and the Minister of the Environment to protect the west coast of British Columbia from potential oil spillage along the tanker route to Cherry Point, which is within 18 miles of my riding, is the minister satisfied with the protection that exists, or will he pay heed to the warning issued by the head of the Science Council within the last four or five days?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I do not think I will ever be completely satisfied with the measures that we are taking, but our performance recently on the west coast relative to the spill from the freighter *Irish Stardust* was much better than that with respect to the *Arrow* with which Dr. McTaggart-Cowan is familiar.

MEASURES TO SECURE ABANDONMENT OF CHERRY POINT OIL TANKER TERMINAL

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary question for the Minister of the Environment. Can the minister tell the House whether the government intends to take further measures, possibly along with President Nixon, to change the Cherry Point terminal, and will he tell the House why the government agreed to a contingency plan that does not definitely eliminate the most significant danger of the TAPS tanker route, which is the Cherry Point terminal?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I am certain the hon. member for Vancouver South is aware that there is a great deal of traffic already moving through the Strait of Juan de Fuca and through the waters about which we are concerned off Cherry Point. Some of the vessels in that area now are carrying oil and have done so for the last 50 years, so we are concerned about contingency measures there now.

Mr. Fraser: Mr. Speaker, I appreciate the remarks of the Minister of the Environment, but can he tell the House upon what possible basis he was able to say to the public through the press that the Mackenzie is the trump card and, further, that he does not see any real possibility of tankers moving in the critical areas off the west coast, unless he has some sort of agreement in principle or otherwise from Mr. Train?

Mr. Davis: Mr. Speaker, I do not think we should clear our statements of policy with officials from the United States.

• (1440)

Mr. Speaker: Order, please. I realize the hon. member for New Westminster has a supplementary question, but perhaps he might allow the Chair to complete the first round of questions and return to this matter in a short while. I will then recognize that hon. member for his supplementary.

* * *

COMMUNICATIONS

BELL CANADA RATE INCREASES—INQUIRY WHEN GOVERNMENT DECISION WILL BE MADE

Mr. David Lewis (York South): Mr. Speaker, I wish to address a question to the Minister of Communications arising from his announcement last Friday that the government has decided to suspend the decision of the Canadian Transport Commission approving increases in rates and charges by Bell Canada. Can he now inform the House when the government expects to announce its final decision on this matter?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, by an official ruling adopted yesterday by the Cabinet, the decision has been suspended for a 90-day period for the purpose of study.

[*English*]

Mr. Lewis: Mr. Speaker, I understand that the minister says the suspension is for 90 days. Can he assure the House that he will within that period make a final decision, which I hope will be to rescind the order of the Canadian Transport Commission?

[*Translation*]

Mr. Pelletier (Hochelaga): Mr. Speaker, I think that in so restricting the suspension of the decision, the government has implicitly undertaken to take a decision, whatever it may be, within 90 days.

[*English*]

Mr. Lewis: Mr. Speaker, may I ask a final short supplementary question. Last Friday when the minister made the announcement he made no suggestion of any time limit in respect of the suspension. Will he inform the House why he is now talking about a limit of 90 days for the suspension rather than giving himself enough time to make sure he can complete the studies he requires?

[*Translation*]

Mr. Pelletier (Hochelaga): I did not mention any date in my statement on motions, Mr. Speaker, but the legislation provides that a decision cannot be delayed indefinitely. When the government suspends a decision, it must change the date set by the commission itself for another specific date.

[Mr. Fraser.]

EXTERNAL AFFAIRS

VISIT OF CHANCELLOR WILLY BRANDT TO WASHINGTON—INVITATION BY CANADIAN GOVERNMENT TO COME TO OTTAWA

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask a question of the right hon. Prime Minister.

In order to take the opportunity of the forthcoming visit of Chancellor Willy Brandt in Washington next May 1 and 2, has the Canadian government invited the leader of the government in Bonn to come to Ottawa during that trip?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, such an invitation was not sent.

Mr. Caouette (Témiscamingue): I would like to ask a supplementary, Mr. Speaker.

Does the right hon. Prime Minister not believe that this would prove a marvellous opportunity for Canada to tighten its business ties with Germany and to make the greatest possible use of the vast possibilities of the Federal Republic of Germany?

Mr. Trudeau: Mr. Speaker, I share the admiration of the Creditiste leader for that prominent socialist leader in the world today. He has surely played an extremely important part in his country and in Europe. The Canadian government would like to welcome him one day. However, we do not want it to be in connection with his visit to the United States and this is why I answered to the Creditiste leader that we had not invited him on that occasion.

* * *

[*English*]

FINANCE

EFFECT OF INCREASE IN CHARTERED BANK INTEREST RATES ON GOVERNMENT POLICY—REQUEST FOR STATEMENT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. In view of the increase in interest rates announced by Canadian chartered banks following a similar increase by the Bank of Canada which brought about this action by the chartered banks, will he take the first opportunity on motions to explain to the House the apparent inconsistency in government policy, on the one hand proposing lower taxes to stimulate the economy and on the other authorizing the Bank of Canada to increase interest rates, which will lead to a parade of generally higher interest rates resulting in slowing down the economy?

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there is no conflict of policy at all. The Governor of the Bank of Canada made it quite clear that the monetary policy of the bank would continue to be expansionary. I will be glad to deal with the subject, as I said to the hon. gentleman's colleague, at the meeting of the committee on finance of the House of Commons when it deals again with my estimates next Monday night.

BANK OF CANADA INTEREST RATE INCREASE—EFFECT ON PRICE LEVELS

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. In reading his answers to questions yesterday on the matter of the increase in the interest rate by the Bank of Canada I gained the impression that the minister does not believe it will cause a contraction of the economy. Is it his position that the increase in the bank rate will have no effect on price levels in the economy?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the increase in the bank rate and the subsidiary action by the chartered banks in raising their prime rates will, of course, do something to the cost of borrowing money.

Mr. Hees: It sure will.

Mr. Turner (Ottawa-Carleton): But we will still have the cheapest money in the world compared with the United States and all the major countries of Europe.

Mr. Gillies: Mr. Speaker, this supplementary question is directed to the Minister of Finance. Given the fact that the answer of the minister suggests that the policy is going to be inflationary, is it the position of the minister that we cannot control inflation in this country by raising interest rates?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I would rather use the word "expansionary" than "inflationary". The hon. gentleman ought to take into consideration that if the present expansion in loan requests reflecting the expansion of the economy were to continue at the earlier rate of interest, this might well have involved over-expansion of the economy which the hon. gentleman was so worried about the last time he put the question to me on January 26.

SUGGESTED REQUEST BY MINISTER TO CHARTERED BANKS NOT TO INCREASE LENDING RATES FURTHER—IMPOSITION OF CEILING UNDER BANK ACT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister a supplementary question. In view of the fact that the four leading chartered banks have followed the example of the central bank by increasing their prime interest rates, and in view of the fact this will undoubtedly stimulate a further increase in the cost of living, may I ask whether he would undertake to attempt to persuade the banks not to make any further increase in their lending rates and, if he is unable to persuade them, would he undertake to bring in legislation to re-impose the 6 per cent ceiling on bank loans which one of his predecessors, the present Secretary of State for External Affairs, took out of the Bank Act a few years ago?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker, I would not give that undertaking. I want to say to the hon. member that, in view of the very heavy demand for credit in response to the expansionary economy in Canada and of the international situation in respect of interest rates, had the present interest rates not adjusted to these market forces the expansion in money supply might well have added to the inflationary cost of living about which the hon. gentleman is so rightly concerned.

Mr. Speaker: Order, please. I point out that there are perhaps five or six members seeking to ask supplementary questions on this subject. We will try to have as few as possible for each member, but for the moment the Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands and then the hon. member for Gander-Twillingate.

REQUEST THAT MINISTER INDUCE CHARTERED BANKS TO REDUCE SERVICE CHARGES IN LIGHT OF INCREASED PROFITS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that bank profits have increased substantially since the 6 per cent ceiling was taken off, and their profits last year were over 20 per cent higher than the previous year, would the minister use his good offices to persuade the chartered banks to reduce the service charges they are now levying upon their customers as one means of keeping down the cost of living?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, when I was talking to the President of the Canadian Banking Association prior to the increase in prime rates on Monday I asked him to relay to the presidents of all chartered banks in this country that I consider it important that credit not be reduced to Canadian-owned small businesses in this country, nor to those areas of the country that are growing at a slower rate than some other areas, and particularly that the spread between deposit rates paid by banks against money deposited with them and the interest rate charged by the banks on money lent by them should not increase. I am happy to observe that the banks have all indicated that the spread between their prime rate on loans and their deposit rates, either for savings or chequing accounts, has not increased, so that profits obtained by the banks can in no way be affected by—

Mr. Speaker: Order, please. I hesitate to interrupt the minister but it seems to me questions being asked at this time and the answers given by the minister are more in the form of a debate than questions and answers. I would hope that the questions might be briefer and the answers also.

• (1450)

BANK INTEREST RATE INCREASES—EFFECT ON UNEMPLOYMENT—FORMAL COMMUNICATION INDICATING MINISTER'S POSITION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, the answer the minister has just repeated is a very vital one for us in Atlantic Canada. In view of our concern about the impact of the present move of the central bank with regard to the interest rate and the concomitant potential impact on unemployment, can the minister say whether any formal direction or communication has been issued to the Bank of Canada or to the Canadian Banking Association indicating the minister's stand, and would he be prepared to table any such documentation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, no formal communication in that sense was made and nothing, therefore, can be tabled.

Mr. Lundrigan: In view of the fact that 1969 government policy is beginning to show its head again and as it had such a detrimental effect on slow growth areas, can the minister indicate what guarantee to the slow growth areas in Canada there is that the policy will not have a very serious effect on unemployment?

Mr. Turner (Ottawa-Carleton): Since I cannot accept the preamble, I ask the hon. member not to accept the conclusion.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Calgary North and then we will try to move to the next subject or perhaps go back to the first question and allow the hon. member for New Westminster his supplementary.

BANK INTEREST RATE INCREASES—REQUEST FOR ASSURANCE THAT HOUSING INTEREST RATES WILL NOT BE INCREASED

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of State for Urban Affairs responsible for housing whether he will assure the House now, because interest rates are one of the ingredients that have added considerably to the cost of housing which has gone up 100 per cent in the last five years, that there will not be any increase in rents, first, on uninsured direct loans out of the Consolidated Revenue Fund and, second, on all loans which are insured by CMHC to protect Canadians in the purchase of houses?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the interest rate payable under the insured loan provisions of the National Housing Act is set out in the act by legislation, not by the minister or the government.

Mr. Woolliams: Mr. Speaker, I do not wish to be argumentative and I appreciate what the minister says, but would he be prepared to see written in the legislation a guarantee to the nation that there will not be a considerable increase in the cost of housing at this time when we are in a national crisis?

Mr. Basford: If it is the type of amendment that it appears the hon. member is suggesting, it would result in no insured loans being made at all.

* * *

ENVIRONMENTAL AFFAIRS

REQUEST FOR IMPLEMENTATION OF 100-MILE PROVISION OF ARCTIC WATERS POLLUTION PREVENTION ACT ON WEST COAST

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of the Environment. In view of the statement he made in the House today and in view of the continuing pressure by the United States administration to commence the tanker route, will the minister now consider inplementing the 100-mile provision of the Arctic Waters Pollution Prevention Act on the west coast to assist him in his negotiations?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, my impression of the hon. member's question is that he is asking that the Arctic waters pollution provisions be implemented on both our coasts. Were that to be done, it would of course, intersect some of the world's major shipping lanes.

Mr. Leggatt: In view of the statement the minister made today, can he give us some indication of when the government will take a definitive position with regard to alternatives to the TAPS route because at present there is no assistance being given to U.S. authorities to change that route?

* * *

HEALTH

REQUEST FOR INCREASE IN ESTIMATES FOR CANCER AND HEART RESEARCH

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of National Health and Welfare which I wish to direct also to the Minister of State for Science and Technology. Will the Minister of National Health and Welfare reconsider his estimates for the present year, in consultation with the Minister of State for Science and Technology, with a view to making a substantial increase for cancer research and at least a small contribution to heart disease research since the present government has about the worst record in the western world in this regard?

Mr. Speaker: Order, please.

* * *

[*Translation*]

OFFICIAL LANGUAGES

INQUIRY RESPECTING IMPLEMENTATION OF COMMISSIONER'S RECOMMENDATIONS

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the Prime Minister.

Since reports often remain a dead letter and are ignored, could the Prime Minister say whether he intends to follow through with the recommendations of the Commissioner of Official Languages?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not think that I have understood the whole question, including the premise, but in answer to the question itself, we do intend, of course, to follow through with the recommendations of the commissioner. Furthermore, we always consider them carefully and we are very pleased in fact that they spur many people on concerning the application of the Official Languages Act.

[*English*]

AIR CANADA

ALLEGED LACK OF GOVERNMENT POLICY AND DIRECTION—REQUEST FOR STATEMENT

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a question for the Minister of Transport. In view of the statements that have been made by the chairman of Air Canada to the effect that the lack of direction and clear enunciation of government policy is causing a great deal of hardship and difficulty in the administration of Air Canada, is he prepared to make a statement on motions at a very early date to clarify this important matter?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, unfortunately it was impossible for me to discuss this matter with the chairman of Air Canada. He is out of the country and has been for about ten days.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): He will fly back, I am told, by Air Canada tomorrow.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): I will then have an opportunity to meet him and discuss with him the report of the newspaperman, not the statement.

Mr. Mazankowski: Could the minister indicate to the House whether he has received a draft set of policy objectives which was forwarded to the minister by the chairman of Air Canada, and can he indicate to the House the nature of his response?

Mr. Marchand (Langelier): I have many communications with the president of Air Canada, many of them on policies, and this is what we are studying now. I made an announcement in the House the other day that after we had assigned the German and Chinese routes to the companies, within a few weeks we will be in a position to make another statement concerning the future designation of routes. This is based on discussions with Air Canada, and in particular its chairman.

Mr. Mazankowski: Is it the minister's intention to bring to the House a new set of policies, policy objectives and guidelines for the operation of Air Canada?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I intend to keep on co-operating with these two large companies which are CP Air and Air Canada in order to assign international routes in an equitable manner for the greatest benefit of all Canadians.

[*English*]

[*Later:*]

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to return to a question asked earlier by the hon. member for Vegreville of the Minister of Transport. In view of possible conflict between the minister's department and the top management of Canadian air carriers, can the minister say whether, from the government's point of view, Canada's air carriers are conversant with what is expected of them?

[*Translation*]

[*Later:*]

Mr. Marchand (Langelier): Mr. Speaker, I do not admit the premises . . .

Mr. Speaker: Order. The hon. member for Richmond.

* * *

[*English*]

URBAN AFFAIRS

TORONTO—PROGRESS IN ESTABLISHMENT OF WATERFRONT PARK

Mr. J. E. Walker (York Centre): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. Last fall the government announced its intention to acquire land on the Toronto waterfront for the purpose of creating a waterfront park.

Some hon. Members: Oh, oh!

Mr. Walker: Now that summer is fast approaching, can the minister tell the House, and particularly the people of Toronto, what progress has been made and whether Torontonians will be able to enjoy the park this coming summer?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, considerable progress has been made in the establishment of the Macdonald park.

Some hon. Members: Oh, oh!

Mr. Basford: I had a very successful meeting yesterday with the mayor of Toronto, the chairman of metro Toronto and the provincial minister involved. All of the property is under acquisition by the federal Department of Public Works. Part of the park will be available for the public of Toronto this summer, and we will be having a public information meeting in the mayor's chambers on Monday night.

Some hon. Members: Hear, hear!

* * *

• (1500)

EXTERNAL AFFAIRS

CYPRUS—EFFECT OF CIVIL UNREST ON CANADIAN PEACEKEEPING FORCES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs, and/or his colleague the Minister of National Defence. In view of Canada's rather unhappy experience in Viet Nam in peace supervision and the lengthy, extended role of Canada's peacekeeping forces in Cyprus, would the minister advise the House in what way those forces might be affected by what appears to be an upsurge of civil unrest in the island of Cyprus?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As the hon. gentleman knows, Mr. Speaker, there is a great difference between the role we have undertaken in Cyprus and that which we have undertaken in Viet Nam. In Viet Nam we are not engaged in peacekeeping but in peace supervision. In Cyprus, we are engaged in peacekeeping in the traditional sense.

As I understand the situation at the moment, most of the problems that have arisen recently in that island have arisen within one community rather than between the Greek and Turkish communities, so it has not affected the operations of our forces so far in any way that we can discern. In Cyprus we are not faced with hostilities between the two communities, but just within the Greek community itself.

Mr. Lambert (Edmonton West): Does the minister distinguish between civil unrest between the Greeks, amounting perhaps to a good shooting war among themselves, and the struggle between the Greek Cypriots and the Turkish Cypriots?

Mr. Sharp: Mr. Speaker, our forces are there really to stand between the two communities. It could be, if there is further trouble in Cyprus, that the trouble will expand and our forces could be affected, but I was merely explaining that so far there has not been an outbreak of violence between the two communities between which our forces stand.

* * *

FISHERIES

CLOSING OF WHALING AT BLANDFORD, NOVA SCOTIA—COMPENSATION FOR THOSE UNEMPLOYED

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. In view of the fact that the Minister of the Environment closed down the whaling industry at Blandford, Nova Scotia, last year and to date these men are unemployed, what is the amount of compensation to be paid on an annual basis to the workmen affected, and when will this compensation be provided?

Mr. Speaker: Order, please. The hon. member will recognize that normally this kind of question ought to be placed on the order paper, but if the minister has the information available he might as well give it to the hon. member and to the House now.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, a task force has been at work, has visited the three whaling stations on the east coast which are closed down, and is in the process of making recommendations with regard to compensation to plant owners and alternative sources of employment for the workers.

[Mr. Lambert (Edmonton West).]

NATIONAL DEFENCE

RENT INCREASES FOR MARRIED QUARTERS—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to ask a question that is supplementary or related to an earlier one. About five or six weeks ago I asked the Minister of National Defence whether he would review with his colleagues the question of rent increases for Canadian Armed Forces married quarters, with a view to attempting to hold the line with respect to inflation. Has he had an opportunity to review this matter and can he give us some word about his conclusion?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, we have carefully considered rent increases for permanent married quarters and, generally speaking, they are consistent with the rates in what is called "civy" street, or the private sector.

* * *

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR COPY OF ADDRESS BY ASSISTANT COMMISSIONER DRAPER TO INDUSTRIAL SECURITY CONFERENCE AND PAPER ON GOVERNMENT SECURITY ORGANIZATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Solicitor General. In view of the fact that yesterday I, as a Member of Parliament, was barred from hearing an address by an assistant commissioner of the RCMP, in what has been described as a talk focusing on labour unrest produced by subversive elements, and in view of the further fact that this talk was given to a private group primarily consisting of businessmen, will the minister assure the House that a copy of Assistant Commissioner Draper's address will be made available not only to myself but to all members of the House?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will be pleased to look into the matter. This was a conference on industrial security. I have just received notice of the hon. member's question, and I will be pleased to do what I can for him.

Mr. Broadbent: Mr. Speaker, my supplementary question to the minister concerns other papers, apparently classified confidential, which were given to private businessmen but not to representatives of labour or Members of Parliament. I refer the minister to a paper given by Mr. R. Bourne entitled "Government Security Organization." Will the minister also assure members of the House that they will get a copy of that paper?

Mr. Allmand: I will do my best to provide that paper as well. As far as I know that paper did not contain anything that was classified. It contained matters that were public knowledge, but I will get a copy for the hon. member and look into the other part of the question as well.

[*Translation*]

COMMUNICATIONS

SUGGESTED STUDY BY GOVERNMENT OF PROJECTS OF NORTHERN ELECTRIC COMPANY—STUDY OF COMPANY'S FINANCIAL STATEMENTS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Communications.

The government having decided to suspend to Bell Canada rate increases for 90 days while it reviews the question and ask certain questions, and as Northern Electric seems to be a subsidiary of Bell Canada, can the minister tell us whether in the course of that special inquiry the government will ask questions about Northern Electric to find out what its profits are—which seem to be considerable?

Hon. Gérard Pelletier (Minister of Communications): I will consider the question, Mr. Speaker, but off hand I would say the answer seems to be negative since, as far as I know, the Northern Electric Company is not under the jurisdiction of the Canadian Transport Commission.

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I wish to ask a supplementary question.

Could the hon. minister tell the House whether the Canadian Transport Commission will examine the consolidated accounts of Bell Canada?

Mr. Pelletier (Hochelaga): I will look into the matter and advise the hon. member at a later date, Mr. Speaker.

[*English*]

CONGRATULATIONS TO PEOPLE OF ROSS RIVER ON BUILDING TELEVISION STATION

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Communications. Will he send a wire or message to the people of Ross River to congratulate them on their initiative in building their own television station despite technical experts' opinion that it could not be done and despite the fact that the Canadian Radio-Television Commission has ignored them?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I am not aware of what the hon. member is referring to, but I hope he will inform me—

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

ALLEGED DISCRIMINATION AGAINST SENIOR CITIZENS—GOVERNMENT ACTION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the reported discrimination in regard to television and radio time by the CBC against two million Canadian senior citizens, would the minister take a look at this problem?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I appreciate the question of my colleague, and while the CBC is not under my jurisdiction, I will certainly forward the member's remarks to my colleague, the Secretary of State, and we will discuss that point together.

* * *

[*English*]

SOCIAL SECURITY

INQUIRY AS TO REINTRODUCTION OF FAMILY INCOME SECURITY PLAN THIS SESSION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Reluctant as I am to believe that even this government could be so arrogant as to vote against motherhood, can the minister tell the House if it is his intention to reintroduce the family security plan before the session ends?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I do not think there is any question of arrogance. If the hon. member had been in the House over the last two months he would have heard me state very categorically several times that it was the intention of the government to introduce legislation on this subject—

Some hon. Members: When?

Mr. Lalonde: —during the course of this session.

Some hon. Members: Hear, hear!

Mr. Lalonde: And may I say I hope he will support it when it comes before the House.

* * *

WAYS AND MEANS

REQUEST FOR ASSURANCE MOTION ON CORPORATION TAX OF MAY, 1972 WILL NOT BE CHANGED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Finance who will recall that following his budget of May, 1972, he tabled notice of a ways and means motion relating to the reduction of corporation taxes on profits from manufacturing and processing. Can the minister assure the House that the notice of ways and means motion that he proposes to put before the House on the same subject, following completion of the bills now before the House, will be in the same terms regarding corporate tax reductions on profits from manufacturing and processing?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I replied to the hon. gentleman previously that he would just have to wait and compare the texts.

• (1510)

ENVIRONMENTAL AFFAIRS

PROPOSED WEST COAST OIL TANKER ROUTE—POSSIBLE CHANGE IN GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is supplementary to an earlier series of questions and is addressed to the Minister of the Environment. In reply to a question about tanker routes addressed to the Secretary of State for External Affairs on February 23, which appears on page 1591 of *Hansard*, I received the following answer:

Whether they—

Meaning the United States of America.

—should go to another point farther down the United States coast is a matter for the United States itself to decide.

Today we hear the Minister of the Environment suggesting that the United States should be directing its oil farther down the coast. I should like to ask the Minister of the Environment if this is a change in policy?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, it makes a lot of sense for Canadians to want that oil, if in fact it ever moves down the west coast, to move to California which would be its principal destination.

* * *

INCOME TAX

VARIATION IN INDIVIDUAL RETURNS MADE OUT BY TAX CONSULTANTS—GOVERNMENT POSITION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of National Revenue. Several weeks ago I brought to the attention of the minister the fact that when the work of tax offices was checked in filling out individual income tax forms, 11 different results were found to have been submitted to the Department of National Revenue. Has the minister investigated this situation or is he taking any action in relation to the kind of service provided to individual taxpayers by tax offices of all kinds and natures in this country?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, the department has monitored as far as possible the returns which appear to be coming from tax consulting firms. There seems to be no pattern of error in them so far, and the error rate generally is considerably lower this year than in the past. However, I am giving consideration to the desirability of having people who prepare tax returns for a fee identify themselves on the forms in future. I am not sure yet what steps might be necessary to do this but it is a possibility worth considering.

* * *

CONSUMER AFFAIRS

POSSIBLE MISLEADING ADVERTISING BY TAX CONSULTANTS—GOVERNMENT ACTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. In view of the fact the minister's portfolio relates to consumer affairs, can he inform the House whether he is taking any action in the area of advertising by these tax offices which suggest that they can be of service to the Canadian population by accurately filling out tax forms?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I believe I have already informed the House that I would be asking officers of my department to examine this kind of advertising to see to what extent it comes under the law on misleading advertising.

* * *

UNEMPLOYMENT INSURANCE

SCOPE OF JOB INQUIRIES TO BE MADE TO QUALIFY FOR BENEFITS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In light of the fact that some workers across the country are reporting every week and oftener at Canada Manpower Centres, the official government employment agency, looking for employment without success, it is necessary that he or she also search for work in other areas in order to qualify for UIC benefits and if so, how many searches, and has this fact been well advertised so that workers know that this is a new interpretation of the regulations?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think I have answered that question several times in the House before but to repeat, yes, there is a requirement not only to depend on the services of Canada Manpower or not only to depend on the services of union hiring halls where they exist, but to seek work beyond that so that no avenue is left unexplored. This situation has been made known reasonably well to workers across the country but I repeat it and hope it will be publicized again.

Mr. Muir: In view of the fact that applicants for employment are continually unsuccessful in securing employment at CMC offices, can the minister advise where a man or woman can find employment apart from CMC offices in a region where the unemployment rate is 20 per cent and higher?

Mr. Andras: Mr. Speaker, the active search for work as a requirement of the act is not enforced as rigorously in areas where it is known that unemployment is that high. If the hon. member has a specific example of where this has been overstressed, I would appreciate the details so that I can take the necessary steps.

Mr. Speaker: Order, please. We have reached the end of the question period but I was hoping to recognize two or three members who have not had an opportunity to ask questions or supplementaries in this or the last couple of question periods. The hon. member for Hamilton West.

IMMIGRATION

DATE ON WHICH EMPLOYERS MUST DETERMINE CITIZENSHIP STATUS OF EMPLOYEES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Manpower and Immigration regarding the peculiar position that employers are placed in with respect to how far back they must go in order to determine which of their employees are Canadians, landed immigrants or visitors. I know the minister was going to look into this and I wonder if he has an answer in order that employers may know whether it is six months before January 1 or just what the situation is?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I did indicate to the hon. gentleman that I would get an answer for him and make it known but I regret that I have been occupied since last Thursday. This is being researched and I think the answer is that we will not take any heavyhanded action against employers who employed people without visas prior to March 31, again unless there was blatant and knowing exploitation of the situation due to other factors.

* * *

TRANSPORT

INQUIRY AS TO AGREEMENT WITH MARITIME PREMIERS ON INCREASE IN FREIGHT RATE SUBSIDY

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I have a question for the Minister of Transport regarding yesterday's meeting with the Atlantic premiers. In view of the conflicting press reports coming out of that meeting, can the minister tell the House if he has agreed to an upward revision of the westbound subsidies on a selected product basis?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we had discussions for a couple of hours with the premiers of the Atlantic provinces. They asked for an increase of 30 per cent to 50 per cent in the subsidy for freight rates. We agreed together that this should be looked into by the federal-provincial committee on transportation in the Maritimes to see how we can apply this new principle and make a report later.

* * *

NATIONAL DEFENCE

REQUEST FOR RETENTION OF THE KILT FOR HIGHLAND UNITS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. In view of the fact that Highland regiments attract recruits more easily than other militia units partly because of their traditional uniform, will the minister assure the House that he will reconsider the decision to force the Highland units to give up their cherished kilts and will he reinstitute the maintenance grants for Highland dress for those units?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, there is no regulation preventing the Highland regiments in the reserves from wearing the kilt.

* * *

FLOODS

HIGH WATER LEVELS OF GREAT LAKES—REQUEST FOR ASSISTANCE OF ARMED FORCES TO PREVENT DAMAGE

Mr. Norman A. Cafik (Ontario): Mr. Speaker, my question is for the Minister of National Defence. Would the minister indicate what response, if any, has been given to the two urgent telegrams he has received, one from the township of Pickering and the other from a private citizens' group, respecting the pressing need for military assistance to avert the disastrous effects of not only high water levels but those combined with high winds to properties on the Pickering shore line?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have received the telegrams referred to. I would like the armed forces to be helpful in this flood problem, in fact I would always like them to be helpful in any way they can. I have offered their services and they have so far been declined by the responsible body which is the Emergency Measures Organization of the province of Ontario.

Some hon. Members: Shame!

Mr. Cafik: A supplementary—

Mr. Speaker: Order, please. There are a number of hon. members who have not had an opportunity to ask supplementaries. Before calling orders of the day the Chair will recognize the hon. member for Wellington-Grey-Dufferin-Waterloo.

Mr. Cafik: A point of order.

Mr. Speaker: The hon. parliamentary secretary rises on a point of order.

Mr. Cafik: Mr. Speaker, I have never done this before on a point of order.

An hon. Member: Don't do it now.

An hon. Member: Nobody else has.

Mr. Cafik: It is extremely important to the people affected that at least the minister indicate to the provincial authorities that many members of this House regret the inaction of the province of Ontario in protecting the people of Ontario.

Some hon. Members: Hear, hear!

Food Prices

THE CANADIAN ECONOMY

WAGE AND PRICE CONTROLS—REQUEST FOR INDICATION OF TIME OF IMPOSITION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question to the Minister of Finance arises from the answer given earlier in the question period to the effect that an increase in the bank rate might be inflationary. Can the minister indicate whether the government is now prepared to accept a temporary system of wage and price controls and, if not, can he indicate whether we are near the rate of inflation in which this emergency plan would be put into effect?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the answer to the first part is no, and the second part of the question has been discussed quite often before in the House.

Mr. Speaker: Orders of the day.

Mr. Carter: Mr. Speaker, I rise on a question of privilege relating to part of the answer given to me by the Minister of National Health and Welfare. The minister, deliberately or otherwise, reflected on my attendance in the House. I do not think the minister has the right to do that. I think my attendance here, Sir, would match his. Indeed, I have not taken time off this year to go skiing at Banff.

Some hon. Members: Oh, oh!

Mr. Lalonde: Mr. Speaker, I was not so much concerned about the presence or absence of the hon. member as about his attentiveness.

Mr. Speaker: The House will now revert to the consideration of the motion standing in the name of the hon. member for Vancouver-Kingsway (Mrs. MacInnis).

• (1520)

ROUTINE PROCEEDINGS

FOOD PRICES

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

On the order: Motions:

April 3, 1973—Mrs. MacInnis:

That the First Report of the Special Committee on Trends in Food Prices, presented to the House on April 2, 1973, be concurred in.

Mr. MacEachen: Mr. Speaker, I wish to raise a point of order with respect to the first report of the Special Committee on Trends in Food Prices. My purpose in raising this point of order is not to seek to have the motion ruled out or that the subject matter of it not be dealt with; rather, I want to enter a reservation with respect to the form of recommendation No. 6 of that report which reads:

That the Department of Consumer and Corporate Affairs make specific monies available to consumers groups to present briefs to various governmental boards where appropriate.

[Mr. Cafik.]

I make no comment on the substance of the recommendation. It seems to me that it touches upon the whole question of the financial initiative of the executive and it would be unfortunate if, in allowing this kind of language, an important principle of government were overlooked. If the recommendation could be put in the form that has been used in the two preceding recommendations, namely, that the government consider or give consideration to the advisability, etc., it would be better. If the final recommendation could be put in that form, instead of in the form in which it now is, there would be no objection whatsoever to allowing the motion to be dealt with.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I do not know how serious the President of the Privy Council (Mr. MacEachen) is in raising this point of order, nor do I know how serious Your Honour was when you raised the same question a few days ago. In case there is any doubt about the right of the House to proceed with the motion to concur in the first report of the Special Committee on Trends in Food Prices, I should like to say a few words.

First, I suggest that the rules against the making of motions involving an expenditure of money all say quite clearly that there must be no direct instruction to the government to spend any public money. I point out that the report before us now, which was tabled on Monday, April 2, as set out in *Votes and Proceedings* for that day, ends with a section entitled, "Recommendations", and then these words appear: "The Committee recommends." After that introduction there follow six different paragraphs, and I suggest that each of those paragraphs is governed by that introductory phrase, "The Committee recommends." Therefore, one should read paragraph 6 not by itself, but with the introductory words, so that what is before us in paragraph 6 is the proposal that the Committee recommends "That the Department of Consumer and Corporate Affairs make specific monies available to the consumer groups to present briefs to various governmental boards, where appropriate."

Just as the passing of this report by the Special Committee on Trends in Food Prices did not put that expenditure into effect, so I submit that if the motion to concur in this report today were carried, it would not be an instruction that money be spent. Rather, it would be a recommendation to the government to consider that proposal.

However, Sir, it is usually regarded as desirable when matters like this arise to ascertain whether there are any precedents. Although I have not spent all my time since Your Honour raised this question looking for precedents, this morning I managed to look at a few that came readily to mind because they related to the reports of a committee of which I have the honour to be a member. For example, on Friday, February 23, 1973 as noted on *Votes and Proceedings* for that date at page 141, there is this entry:

Mr. Dupras, from the Standing Committee on Veterans Affairs, presented the First Report of the said Committee, which is as follows:

Pursuant to its Order of Reference of February 15, 1973, your Committee has considered the Report of the Joint Study group on Basic Rate of Pensions, and has agreed to report it with the Committee's endorsation.

I have, Sir, in my hand a copy of the report of the Joint Study group referred to in that motion. It is a document of some 25 or 30 pages and clearly contains the recommendation that there be a substantial increase in the basic rate of war disability pension, plus a recommendation that there be an escalation of that pension year by year, plus the recommendation that war disability pensions continue to be income tax free. I happen to be a member of that committee and am one of those who joined in the unanimous endorsation of that report. The point is that such a report was laid on the table of this House and that no one objected to its being tabled, even though it recommended expenditures. Your Honour may say that no motion was moved to concur in that report. That is true, but it so happens that the report is now in the hands of the government, which is considering it.

However, let me go back to two previous reports of the Standing Committee on Veterans Affairs. First, I refer Your Honour to *Hansard* of Friday July 7, 1972. At page 3860 it is recorded that, on the motion of the hon. member for Algoma (Mr. Foster) the third report of the Standing Committee on Veterans Affairs, presented to the House on Monday, June 26, 1972, was concurred in.

The third report of the Standing Committee on Veterans Affairs is to be found in the *Journals* for Monday, June 26, 1972, between pages 426 and 428. It is a rather lengthy report and contains a number of recommendations having to do with prisoners of war generally. One of the recommendations says that age requirements for former prisoners of war who were incarcerated for one year or more be removed from the War Veterans Allowance Act. Then follows this sentence:

> The effect of this recommendation would be to provide War Veterans Allowance benefits to former prisoners of war, regardless of age or the theatre of war in which they served, who find that because of deprivation and hardships suffered, they are unable to secure or hold continuous employment.

Sir, that was a committee recommendation which clearly involved the expenditure of money. The traditional words that "consideration be given thereto" do not appear in the report. There is the simple language saying that the committee recommends that this be done. As I say, on the motion of the hon. member for Algoma, who was then chairman of that committee, that report was concurred in. No questions were raised because the committee had recommended something that involved the expenditure of money. Again, the passing of that report did not directly require that the money be paid. Actually, the recommendations contained in that report have not yet been brought before us in the form of a bill.

• (1530)

Let me go back to one more precedent. In this case, I go back to *Hansard* of Tuesday, June 23, 1970, at page 8495 where I find this entry. Mr. Lloyd Francis, of respected memory, the former member for Ottawa West moved:

> —that the second report of the Standing Committee on Veterans Affairs, presented to the House on June 22, 1970, be concurred in.

Again, may I emphasize that this was a motion for concurrence in a report that had been tabled on Monday, June 22, 1970. That report can be found in *Journals* of Monday, June 22, 1970, from pages 1049 to 1082. It was a very lengthy report. It had to do with the recommendations arising out of the Woods report. There are scores of recommendations. I did not take time to go through and find out how many involved the expenditure of money, but there are literally scores of recommendations in that report which, if they were implemented, would involve the expenditure of money. A bill was later brought in and almost all of those recommendations were put into effect.

In that report which is found in *Journals* of Monday, June 22, 1970, there does not appear the traditional phrase that consideration be given to such and such. The main body of recommendations begins at page 1054 of *Journals* for June 22, 1970. The initial paragraph reads:

> Your Committee, therefore, recommends that the following Woods Committee recommendations as modified in some cases by the White Paper and in other cases by the proposals made by the National Veterans Organizations of Canada be implemented.

I think we dealt with 146 or 148 of those recommendations. Some we approved, some we did not. However, the number of recommendations that were made and concurred in that involved the expenditure of money was, as I say, voluminous. Again, the passing of that motion in the name of the former member for Ottawa West did not bring these money payments into effect. It simply became the registered opinion of this House that this ought to be done.

I submit, therefore, that because there are so many of these instances, we are quite in order today in considering a report which merely recommends that certain things be done, among them being the recommendation that the Department of Consumer and Corporate Affairs make certain monies available.

I would certainly have no objection if the House could somehow agree that the words suggested by the President of the Privy Council (Mr. MacEachen) be considered as there, but I would hope that no one would seriously suggest that because of the absence of those words, this report should be sent back to the committee simply for the purpose of putting in those words. My contention is that even without them, there are plenty of precedents to suggest it is appropriate for a committee to make a report recommending things that may involve the expenditure of money so long as it does not try in its report to word its proposal in such a way that it becomes a direct order.

I submit that since the recommendation in paragraph 6 is preceded by the words "we recommend", it is not a direct order and, therefore, the report should be considered as properly before us. If that is the case, I contend that the House should proceed with the motion to concur in the report that is now before us.

Mr. Baldwin: Mr. Speaker, I gather from what the President of the Privy Council (Mr. MacEachen) said that he was, in effect, filing a very strong caveat and a caution and that he was reserving the right on future occasions to raise this point. If we do proceed, I do not expect that this will be considered a precedent. I will not argue that at any length.

While I am not necessarily in accord with the terms of the report we are considering, I fully agree with what the hon. member for Winnipeg North Centre (Mr. Knowles) has said. I would probably add two or three sentences to show that there are other precedents as well. Your

Honour will remember the occasion when, for the first time in this House, a member of the committee other than the chairman moved concurrence in a report dealing with the Department of Indian Affairs and Northern Development. It was the Interdepartmental Oil Pollution Disaster Committee. This report was presented by the hon. member for Laprairie (Mr. Watson) from the Standing Committee on Indian Affairs and Northern Development on December 16, 1969. That report included certain recommendations which could be construed as recommending or suggesting certain actions be taken by the government which would involve the expenditure of money. I quote from that report:

> The Committee recommends that appropriate agencies of the Government move immediately to conduct research in the Arctic to gather information on the following:

There are several recommendations. One reads:

> Your Committee also recommends continued research by the Department of Fisheries and Forestry to establish the extent of the fisheries potential of Arctic waters.

There may be a case to be made that these recommendations are not in the same category as those we are considering today. I will not argue that. However, a point of order was argued in this House as to the right of the hon. member for Athabasca (Mr. Yewchuk) to move concurrence in that report. Your Honour considered that, ultimately made a very intelligent decision and the hon. member was permitted to move the motion. It was a very good decision, Mr. Speaker. I wish to point out that there was not one single suggestion that the terms of the report, the language in which it was couched and the fact that it recommended certain things be done by the government, which inferentially involved the expenditure of money, could in any way be a bar to the consideration of the report.

The hon. member for Winnipeg North Centre said there are a number of precedents. I argued before Your Honour on a number of occasions that all of this jurisprudence stems from Section 54 of the British North America Act and Standing Order 62. The operative word in those two provisions is "appropriation". I do not know how in the name of heaven this House ever allowed inhibiting jurisprudence which attempts to bar this House from the opportunity of debating simple recommendations which cannot, in any sense of the word, be construed as binding upon the government to spend one red cent of money. If the government allowed the motion to come to a vote, and if the House in its wisdom saw fit to approve the motion to concur, not one red cent of money need be spent.

A number of reports have been filed which include the words "we recommend" and involve the expenditure of money. In the limited time available, I was not able to ascertain whether they were reports in respect of which a motion to concur was made. In August, 1956, a report of the joint committee on the Federal District Commission was presented. It contained the following recommendation:

> In view of the magnitude of the plan for the National Capital, and the amount of money involved in developing it, we recommend that the Chairman of the Commission be employed full time at a salary and with a status commensurate with those of a Deputy Minister.

[Mr. Baldwin.]

That is one of many recommendations. It may be that these were never the subject of a motion to concur. I never examined them to that extent. The *Journals* are filled with illustrations where committees have made reports containing that recommendation. A recommendation is not defined as being an order. It is not defined as being an order in any of the dictionaries I have been able to consult this morning. I would quote, for example, from Webster's Dictionary, 7th Edition: "Worthy of acceptance or trial; urge the acceptance of". How in the name of Heaven that could be considered as constituting an order to the government to spend money, I cannot understand. I, therefore, urge the Chair and the government House leader not to try to inhibit debate, not to try to further restrict the already limited role we can play as we seek to have this matter examined in free discussion. If this report had been couched in terms which constituted a direct order to the government I would wholeheartedly agree with the President of the Privy Council. But the terms of the report being as they are, I, for one, if the report is debated, will discuss it as if it did not contain the restricting words which the minister has suggested it contains.

• (1540)

Finally, to cut short what could be a lengthy argument, I would refer Your Honour to May, on the British practice, as outlined on page 640 of the 18th edition:

> Select committees may consider and report to the House resolutions recommending an outlay of public money for the purposes therein specified without the previous signification of the Royal Recommendation because such a resolution is regarded as analogous to those abstract resolutions by the House in favour of public expenditure which are in the nature of suggestions and are not in themselves binding upon the action of the House.

One day Your Honour might see fit to state a case in this context. It is a matter for the Committee on Procedure to consider, it is true, but it might be months before the committee has a chance to consider the question and report to the House, especially in the light of the situation with which we are faced at present and the problems with which many committees are confronted. I have it in mind that Your Honour might like to consider all the facts and state a case to the House at a suitable opportunity.

Mr. Speaker: I thank hon. members for the advice and guidance they have extended for the benefit of the Chair. What the President of the Privy Council had in mind, I gather, was to register a caveat so that we might bear in mind the very interesting point of order which he raised and to which I alluded when the notice was filed and received at the table.

I must say I cannot agree with the point of view advanced by the hon. member for Winnipeg North Centre and, quite understandably, concurred in by the hon. member for Peace River. At the same time, I say right now that I will do nothing to prevent the consideration of this report at this time. I said, when the matter came before the House, that we were dealing actually with one of the many recommendations made by this committee. I am convinced that hon. members are anxious that we forget about the procedural aspect of this matter and proceed with our debate on the recommendations contained in the report.

Hon. members cannot convince me, however, that the Chair should disregard a practice which has existed over many years, probably for more than a hundred years. Hon. members may say that to recommend a course of action to the House is only a recommendation and that the government is not bound by it. My recollection is that just a few years ago, when the House adopted a report which recommended a certain course of action and when the government, in its wisdom, or lack of wisdom, depending on which side of the House hon. members sit, did not take action as recommended—and I insist on that word—by the committee, there were suggestions that the government was in contempt of the House and that the word "recommend" could not be used in the sense given to it by the hon. member for Peace River, but that the course of action in question had become an order of the House to which the government was required to adhere. That is, I suggest, the difficulty when we come to the expenditure of money.

It is fundamental to the parliamentary system that financial initiative belongs to the Crown and I think it is going around this well-established practice to suggest that after a committee has recommended an expenditure of money the House can approve a report from the committee and then consider that an order has been made, which the government must obey, that certain sums of money in respect of which there has been no recommendation, should be expended. That is the problem. It is as simple as that.

Hon. members have referred to precedents. I have looked at precedents also, with the assistance of the Clerk at the table, and there are very few real precedents which would support the position adopted by the hon. member for Winnipeg North Centre and the hon. member for Peace River. The hon. member for Winnipeg North Centre referred to a very recent precedent, a precedent involving a recommendation for the expenditure of money which was included in a report of the Committee on Veterans Affairs as reported in the Journals of the House for June 22 and June 23, 1970. It should be noted that what we were considering then was a report which was dealt with by unanimous consent. The motion read:

That the notice standing in the name of the hon. member for Ottawa West with respect to concurrence in the second report of the Standing Committee on Veterans Affairs be considered and that the question be put on the same without debate.

That, I think, indicates why there was no occasion to raise the point of order. I do not intend to go into the matter further, but I still suggest to hon. members that there is virtue in respecting long-established precedents. It is a long-established practice of this House that recommendations coming from a committee and requiring expenditure of money include the traditional words that the government give consideration to the advisability of spending moneys, and hon. members should give serious thought to having these magic words included in their committee reports when such recommendations are made.

This having been said, we are dealing with only one aspect of this report, as I mentioned the other day, and I would think there is anxiety, a determination on the part of all members, to proceed immediately to the consideration of this very important report, and if hon. members are satisfied, or half satisfied, with the comments I have made, I will now put the motion which stands in the name of the hon. member for Vancouver-Kingsway.

The hon. member for Vancouver-Kingsway (Mrs. MacInnis), seconded by Mr. Knowles (Winnipeg North Centre) moves:

That the first report of the Special Committee on Trends in Food Prices, presented to the House on April 2, 1973, be concurred in.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I am sure every member of the Committee on Trends in Food Prices has been wishing that while we were drafting the precise terms of our report we had been able to benefit from your wisdom, because it might have saved us from straying into danger along the way. I do not think we ever forget to be grateful to you, Mr. Speaker, for the impartial and fearless way in which you uphold the traditions and liberties of this House.

It gives me satisfaction to be able to move this motion to concur in the interim report of the Committee on Trends in Food Prices for a number of reasons. We have put in a great deal of hard work during the two months we have been working on the preparation of this report. But the thing that gives me satisfaction is that at long last we have raised the question of food prices and the whole system by which food is brought to the people in a manner worthy of the attention and consideration of this House. In my opinion it is not a moment too soon. All across the country people are desperately concerned with what is happening to food prices, and they have been told by authorities of all kinds that no end to the process is in sight. I am glad that we are able to discuss this report here, since people expect that we as a parliament are able to do something to prevent the everlasting escalation of the price of those things people must have to survive.

• (1550)

The members of this party are not displaying a sudden interest in this matter. Last June when food prices were rising twice as fast as the general cost of living, the New Democratic Party tried to get parliament to set up a special committee to investigate food prices. On behalf of this party, on June 1 last year I moved such a motion. The motion was debated for one day and then roundly defeated in a recorded vote. But by the late fall the picture had changed somewhat. Prices were still escalating, but a minority government had been elected and there was a much greater disposition on the part of that government to consider certain matters that it had not considered necessary to deal with before.

The position of the New Democratic Party was firm and solid. We had prepared a shopping list of those items that we considered vital to the Canadian people and on which we felt action must be taken by this administration if we were to be able to support it for the duration of the time the action was forthcoming. Very high on this shopping list of ours were some steps to stop the rising cost of living, particularly the price of food. At that time we specifically recommended that there be a prices review board. Again, this was nothing new for us; that had been a cornerstone of our policy on food prices for at least five years. When parliament met on January 4 of this year we

were very glad to see included in the Speech from the Throne the definite promise of a committee to make a special study of trends in food prices. That committee was set up, with an interim report called for within 60 days.

I am not going at this time into the various channels we went through and the various motions and amendments made to get the committee set up. Nor am I going into the problems which we encountered in the committee. At first there was a very great disposition on the part of a number of members of the committee to think it was nothing but a farce, a circus or a witch hunt; I believe those terms are accurately reported. But as time went on all members of the food prices committee began to feel that public and media alike were concerned and interested, not only in what was going on, but that there be a worth-while report recommending some type of definite action at the end of the interim period of 60 days.

From the outset the NDP members on that committee—my colleagues from Saskatoon-Biggar (Mr. Gleave), Toronto-Lakeshore (Mr. Grier), and at times Waterloo-Cambridge (Mr. Saltsman)—stated that we felt two particular recommendations should be included in the report. One was for a prices review board; the other was for immediate measures to put proper food on the tables of people on low incomes, people who cannot wait for endless studies or determinations of trends before action is taken to prevent deteriorating quality of nutrition for their families.

The result of our investigations in the food prices committee was to put both of those recommendations in our report, and I shall be dealing with them both. But first, I want to make the point that this is a majority report. Most of the members on the food prices committee are going along with the report. Apparently the Progressive Conservative members did not go along with it, although today no one knows, least of all themselves, exactly where they stand on the matter. Certainly, I am hoping that this day's debate will bring about some enlightenment in that regard.

Apparently the Progressive Conservatives were going to give us that enlightenment when the report was tabled, but the press conference that they scheduled was cancelled, presumably because they just had not been able to make up their minds what they wanted to say or had failed to restrict themselves to at least two or three points of view. They then issued three press statements—not one, not two, but three. Their first press statement was to the effect that they disagreed with the main report. They wanted a 90-day freeze all the way across the board, with no ifs, ands, buts or exceptions. Their second press report was to the effect they had suddenly discovered that it was not fair to leave farmers in their 90-day freeze, so they said everyone but the farmers ought to be subject to a 90 day freeze on prices. Their second press statement made it abundantly clear that their across the board freeze would leave out the farmers.

Mr. Atkey: We did not say that.

Mrs. MacInnis (Vancouver-Kingsway): Well, I can see there will be lots of scope for elucidation and clarification in this debate, something I very much hope to hear as we go along.

[Mrs. MacInnis (Vancouver-Kingsway).]

Their third press statement was a little more—the word that comes to my mind is "wonky". They did not oppose the first report in total because they agreed that it offered protection to the farmers and they believed that the farmers should be protected. I am hoping that this debate will show where they really stand on this matter, if indeed they do stand at all. Sometimes I think there are about as many varieties of Tories as there are varieties in the famous 67 brands of Heinz.

Mr. Danforth: You are wrong there too; it is 57.

Mrs. MacInnis (Vancouver-Kingsway): I come now to the major cornerstone recommendation of our report, which is the recommendation that we set up a prices review board. I am going to read the recommendation that we made in our interim report:

The Committee recommends:

1. That the government give consideration to the advisability of introducing the necessary legislation to establish an independent Food Prices Review Board equipped with such powers as are necessary to review prices, and that it report to the Minister of Consumer and Corporate Affairs. In its reports to the minister, the board could make recommendations concerning appropriate action to be taken.

In addition, periodic reports to the Food Prices Review Board may be referred to a standing committee of the House. The board shall have the authority to incorporate in its periodic reports, a request to appear before the said standing committee.

After a report is referred, the committee would have authority to call the board before it.

The point that I want to make is that, as far as we in this corner are concerned, everything depends not on the government merely accepting this recommendation, not on the government merely concurring with the fact that it is a good thing, but on the willingness of the government to introduce concrete legislation now to spell out the intent of the recommendation. I am going to indicate what kind of flesh we believe should be put on the skeleton of this recommendation.

• (1600)

I realize there are members of the committee who believe, investigation, publicity and moral suasion are enough in such legislation if it should be introduced, but we in our party have no confidence whatsoever in legislation of that type to deal with this particular situation. We have been through that exercise before. We remember the saga of the late unlamented Prices and Incomes Commission, a saga that can be told in precious few words: Three years, $3 million, an undetermined amount of paper and whitewash with prices and incomes going up at the end of the whole process. So we have no desire whatsoever to go through the exercise again of setting up a board which would merely depend on investigation, volumes of paper, whitewash and publicity, with the feeling that moral suasion would protect the consumer from elements of the food chain.

I want to say now that we are not going along with or giving sanction to that kind of legislation because it will not be worth the paper it is printed on. The people of this country do not deserve to be led down the garden path a second time, having been led down that path for awhile in the belief that the Prices and Incomes Commission was going to do something. We have no intention in this party

of accepting any such toothless wonder. We want legislation with teeth in it and we are satisfied that the consumers want such legislation.

My correspondence continues to emphasize the fact that people are expecting parliament to do something to halt this everlasting increase in food prices, and they know that more and more hands are coming in between the farmer and them to take handfuls of their consumer dollars. They want something done to stop this continual inflationary spiralling of the prices of those elements of food they must have in order to survive, and I give this warning to the government.

What do we want in this legislation? Let me name the points. We do not want a departmental committee or something under a departmental wing. We want an independent board reporting to parliament through the Department of Consumer and Corporate Affairs. Again, I wish we could chop off the consumer affairs part and make it different from the corporate affairs part. The further apart consumers and corporations are, the better I would like it, and I have always felt that way. We want an independent board reporting to parliament through the Department of Consumer and Corporate Affairs, and in the initial instance it would be a food prices review board. Later on perhaps, we might add other items of necessity to the consumer.

Second, we want the board to have the power to investigate. We do not want all this clamping down across the board with controls on everything in the field. We want a selective approach to those items of food which together make up a balanced and nutritious diet for people. Those are the items to which attention should be given. There should be searching and swift examination in specific areas of the food industry where quick action can and must fairly be taken. We do not want another of those great, top-heavy bureaucracies loaded with armies of civil servants.

Third, we want the board to have the power to take action directly or the power to recommend appropriate action to the minister. The committee has opted for the second course, that is, the board having the power to recommend appropriate action to the minister. Henceforth, in this speech, I accept the committee's option of a board with the power to recommend appropriate action.

Let me now spell out what we consider to be appropriate action. Appropriate action in the view of the NDP should include: (a) steps to ensure that prices be not increased; (b) rollback where necessary for the public welfare and, (c) support prices and subsidies to the farmers where these are necessary to protect farm income. One of the things we were seized of all through this inquiry was the fact that there is a great spread between what the farmer gets at the farm gate and what the consumer has to pay at the supermarket checkout. The farmer now is just beginning to recoup a little of the loss he has sustained for many years.

We on the food prices committee, and particularly the members of our party, are anxious that in the powers of the board there should be the power to recommend to the minister action in respect of subsidies and support prices where necessary to protect the farmer.

Fourth, we believe the board should have the power necessary for effective analysis of the factors involved in food prices. This means that the board must be able to summon witnesses and require the production of papers, books, records, financial statements, agreements, contracts, leases and all other necessary documents and information.

Mr. Atkey: And union contracts.

Mrs. MacInnis (Vancouver-Kingsway): Yes, and union contracts; the whole works.

Fifth, the minister should be required to announce within 15 days of receiving the board's recommendations what specific measures he plans to take. There should be no secrecy about the reports and there should be no delay in respect of them. There should be this statutory requirement.

Finally, these hearings must be public and reports and recommendations must be made public without delay. The board should also have the power to publicize information which may benefit the consumer.

I have not time to go into the detail these recommendations merit. What I want to do today is outline those recommendations which would constitute the appropriate action to be recommended to the minister. Anything less than those, in our mind, would not be useful and we will not support such legislation. We believe that these in essence are the basic legislative requirements that cannot be dodged. Food prices are still spiralling, and the government will pigeonhole and water down these recommendations at its peril.

It may be said that these things I have mentioned are not in the recommendations for a food prices review board. That is true, but I suggested that these recommendations represented only a skeleton. The teeth were not spelled out, but we recommended an independent board with the power to recommend appropriate action to the minister. I have detailed what we regard as appropriate action, and I have spelled out the teeth which should be put into the legislation. We believe that the function of the legislation is precisely to spell out the appropriate action the board must be able to take, and also spell out the powers with which the board must be clothed if it is to do the job of protecting the consumer in the matter of food prices.

I am not denying that this whole problem in respect of food prices is exceedingly difficult and complicated. Anyone who has been on the food prices committee does not have to be told that. The whole thing is a smooth, interacting chain from the farmer through to the supermarket checkout. This involves the whole food industry. Some of us are not looking for villains half as much as we are looking for those elements in the whole food chain that make this process of getting the food from the farmer to the consumer inefficient, wasteful and unnecessarily expensive.

• (1610)

We know from the people who came before us as witnesses that each sector believed that its operations were carried on efficiently, well and in a profitable manner, everything being equal, and that they were doing their full

share in the whole food chain. They feel that, and we know it; but while it may have added up to efficiency, efficacy and value to each particular sector and those people backing it, it has also added up to high prices for the consumer, unnecessarily high prices, and in some cases prices a way beyond the reach of a quarter of the Canadian people. These people simply cannot afford the kind of diet they should be having with the kind of prices they are having to pay now. We know that.

We know also that, although it is very difficult, new patterns must be set. We know that a start must be made on this, and we know that Canada is not the first country to try to make this start. I do not think there is any sense at all in taking refuge in the constitutional attitude and saying: we would like to do this, but of course the federal government does not have the power to do it. If you look back in history, not very far back either, you will find that there was a host of subjects on which the federal government had divided jurisdiction with the provinces. I could mention highways, medicare, housing, and many more. I know that, at the beginning, the same old arguments prevailed. They said: we would like to do this but of course it would be unconstitutional; we cannot touch it because the authority is mainly local, the initiative is local or provincial.

Yet, today we find that Trans-Canada and other major highways, medicare and housing, are being recognized increasingly as responsibilities which must be met on a three-way basis with the three levels of government participating. This has been achieved through negotiation, through devolvement of powers from one government level to another and, above all, through the will to do it. I suggest that if this government has the will to bring in legislation that will really deal with food prices, it can find ways and means of doing so constitutionally. To say that they cannot do so is no argument, and it will melt before any of the precedents that we care to examine.

If you look at the alternatives, the one that we are proposing is the only possible and workable one which offers any chance of action at this stage. The other alternatives are these: first, let nature take its course. No one, with the possible exception of one or two of the Cabinet Ministers, would care to defend such a course because we have seen that when nature has been allowed to take its course, that course is an increase in food prices over a long period of time. Second, there is the 90 day freeze. We have yet to hear from our friends to the right. Perhaps they will let us know today what they would do once the 90 day freeze was on, what they would do at the end of it, and what it would do. Surely, they have heard about Mr. Nixon's experience with the 90 day freeze, and surely they know that in the United States food prices are continuing to spiral. Surely, they are not anxious to put the Canadian people through another exercise in futility when we have had the experiment of our neighbours to the south clearly and plainly before our eyes.

Mr. Danforth: Has the hon. member seen the report from the south and the price index there?

Mrs. MacInnis (Vancouver-Kingsway): Yes, I have, Mr. Speaker and I do not think they give us any confidence in the approach of freezing inequities for 90 days, freezing high prices, and then going back to where we were before.

Mr. Baker: You have not read the report.

Mrs. MacInnis (Vancouver-Kingsway): We are not in favour of the third alternative, moral suasion, either. I have already referred to the disastrous experience of the Prices and Incomes Commission, which really boiled down to moral suasion for the powerful and legal compulsion for the scapegoats, namely, people with low incomes in this case. If members on both sides of the House will think about it they will realize that the establishment of a prices review board which we propose is the only viable way to start. When we have done this and given it a good try, if we should find that measures involving income control were necessary, then O.K., there are other steps that can be taken. But please note that we shall continue to say what we have said from the start, that we are not going to allow any group of workers to be picked out, pilloried and victimized by having their incomes frozen. If incomes are to be frozen at all, then all forms of income should be put into the pot, namely, wages, salaries, rents, interest, and profits, the whole bit.

Mr. Baker: We agree.

Mrs. MacInnis (Vancouver-Kingsway): You agree, but Mr. Nixon did not. He confined himself to wages, and that did not work very well.

An hon. Member: Don't believe them, either.

Mrs. MacInnis (Vancouver-Kingsway): I do not and I do not think we are going to hear very much later on, but I hope we shall.

I think that speed is of the essence in this matter because the low income people simply cannot wait. This is why I want to refer very briefly to recommendation No. 5 of the Food Prices Committee which we certainly consider to be a very important one. It reads:

> That the federal government, in co-operation with the various provincial governments, consider the feasibility of co-sponsored programs to get proper food on the tables of people with low income.
>
> The committee feels that programs must be devised to enable food to be made available directly to particular groups, primarily children, senior citizens, shut-ins, and the destitute.

This is an exceedingly important recommendation. I believe this opinion is shared by all members of the Food Prices Committee.

May I say what we in this party believe that this recommendation entails? We believe that it entails the encouragement of provinces and municipalities to increase welfare payments by an amount necessary to augment food allowances to provide welfare recipients with an adequate diet and that notwithstanding the Canada Assistance Plan, the federal government would undertake to pay 100 per cent of the increase for this purpose. This is a subsidy to the low income consumer in particular which would match the subsidies which we have already outlined for the producers.

Second, this recommendation would aid volunteer organizations, such as missions, meals on wheels, senior citizens associations, and the like.

Third, it would provide funds to school boards, at their request and with the agreement of the provinces, for hot breakfasts or lunches.

I see that I have only a couple of minutes left and I have only been able to outline in the barest possible way the points which we believe are essential in legislation to deal with this problem and which we hope the government will be considering. I want to warn again that this is not a problem which affects only the low income groups. They need this special treatment to help them to survive in the interim because in the interim their children are growing and children who are undernourished in their early years, can never catch up either mentally or physically. These are things which should be attended to at once. But we are confident that a prices review board is the first step to sanity in providing consumers in general with the food they must have to live at a price which is consonant with its real value.

This report must not be pigeonholed. People across the country are waiting and looking for action now. They are waiting for legislation to deal with the matter now. If we could establish this board and start it functioning, the Food Prices Committee would have a life of much shorter duration because this board could do a much better, more effective and thorough job of investigating the food industry than we are able to do, however hard we may try.

I want to conclude with both a warning and an appeal to the government that the time for action is now. The consumers of this country are not going to be content with boycotts. They want action in an orderly fashion, and if they do not get it from this government they will try something else that is better, fairer and faster.

• (1620)

Mr. James A. McGrath (St. John's East): Mr. Speaker, the hon. member for Vancouver-Kingsway (Mrs. MacInnis), who moved this motion, ended her speech with a call for action. She suggested that the consumers of this country were impatient and were demanding action. Mr. Speaker, I can only say to the hon. member, who was an active participant in the committee and whose contribution is always welcomed, that she will not get that action out of this report.

The report which is now before this House completely negates the order of reference of this House. That order called upon the committee to report action in two months. There is nothing in this report that would implement such action. Indeed the only major recommendation of the report, that dealing with the prices review board, would be about as powerless and ineffective as the late, unlamented Prices and Incomes Commission.

I had difficulty following the hon. member for Vancouver-Kingsway because there were times when she seemed to be coming down on both sides of the argument. I can certainly understand the conundrum she is in, because obviously she is compromised in a very difficult situation. Deep in her heart she knows that in order to approach the whole problem of spiralling prices you cannot isolate food prices. It must be approached in an over-all context, and that has to include the whole spectrum of prices, incomes, salaries and wages. Wages and income are a major component of the spiralling cost of food, and so I can understand her difficulty.

This committee, which had been meeting for the past two months, was a good committee. It worked hard. It met on an average of twice a week, sometimes three times a week, from 9.30 in the morning until 12.30. It achieved something which is rather rare these days under the new rules. It achieved a degree of collegiality. Indeed, it can be said that a consensus was developing in the committee. That consensus was developing from a sense of complete and utter frustration, born of the inability to find answers to the questions we were directing to the parade of witnesses who came before us. Our complete and total inability to cut through the "PR" jargon of all the briefs was really the thing that united the committee more than anything else. But, Sir, I do not believe there was any consensus among the members of the committee with regard to this report.

This report represents only the views of the party to my left, the NDP, and their partners in coalition, the Liberals. It in no way reflects the views of the ten PC members of the committee who approached the matter from the point of view that in order to cope with the very serious problem of rising food prices it must be approached from the over-all picture. In order to come up with a mechanism, with a device that would be effective in keeping prices within acceptable levels, there should be an across the board freeze on prices and incomes. I say this because ever since the committee was first referred to in the Speech from the Throne, and ever since its establishment, the committee itself has had the effect of building up anticipation in the minds of the people engaged in the food industry in Canada that there would be government controls, or a freeze. That anticipation has been a major factor in the spiralling costs of food. Indeed, the price of food will continue to increase because that expectation will continue to exist until the government shows courage enough to take the necessary action.

Let us take a look at the consumer price index. The over-all index for November showed 5.1 per cent. For December it was still 5.1 per cent. In January it was up to 5.7 per cent; in February up to 5.8 per cent, and in March up to 6 per cent. For food for the same months, in November it was 9.1 per cent, December 8.6 per cent, January up to 10 per cent, February up to 10.2 per cent and March up to 11 per cent. If there was one common thread running through all the evidence heard by the committee it was that prices will continue to rise.

We heard evidence from the Minister of Consumer and Corporate Affairs (Mr. Gray) which was contradictory to the evidence from the Minister of Agriculture (Mr. Whelan). The first minister could not account for the substantial increases in the price of food for the month of December, January and February, because he admitted that the harvest factor, which had an effect on the price of food last year, was simply not a factor this year. But the Minister of Agriculture came before the committee and told us, "You have never had it so good. Food is still the best buy." The Minister of Agriculture went on to talk at great length about this. Then, he showed a certain contempt for the committee by not appearing on the next scheduled day when he was supposed to appear to con-

clude his evidence. Instead, he sent his deputy minister with a press release which tried to substantiate his contention that food is a best buy.

The Minister of Agriculture showed us three diets compiled on costs in the city of Ottawa on February 15; one a moderate diet, the second an intermediate diet, and the third a generous diet. I will deal with the moderate diet because this concerns the main point of the minister's argument. This moderate diet, which runs all the way from stewed chicken for dinner on Monday to meat balls for dinner on Sunday, cost an average family of four $28.50 a week in the city of Ottawa. I sent copies of this diet to a number of consumers in my own province, and they all came back with the same finding. After having taken this list to their supermarkets, they found that the cost for the same diet in the province of Newfoundland was exactly a third more. So, the minister's contention that food is the best buy is probably a good argument if you are lucky enough to live in southern Ontario, Alberta and British Columbia, but if you happen to live on the peripheries of the country, in slow growth areas, where unemployment is the highest, where costs are the highest and incomes are the lowest, then you can only conclude that the minister was speaking for a very small constituency when he made that statement.

Poverty is a factor in Canada. I am only sorry the committee did not have time to hear sufficient evidence on this. The Economic Council of Canada, in its fifth annual report, states that 1.5 million families, or 22 per cent of all family units in Canada, are below the poverty line. It sets out its guidelines as follows: a one person family unit will have the poverty line set at $2,013, a two person family unit at $3,355, and all the way through to a five person family unit where the level would be $5,368. The Senate Committee on Poverty also had a lot to say about this, and I would recommend its report to members of the special committee. The Senate Committee on Poverty found that the over-all poverty rate in Canada is approximately 25 per cent; this is virtually the same as the finding of the Economic Council of Canada.

• (1630)

We talk about food being the best buy. That is all very well if you happen to be in or above the middle income bracket, but if you happen to be in that unfortunate 25 per cent or to live in a slow growth, high unemployment region of this country, the proportion of your dollar that is spent on food is increasing. Steak has only gone up by 1 per cent, hamburger has gone up by 18 per cent, pork shoulder by 28 per cent and roast beef by 5 per cent. Eggs are a very important item in a stable, nutritious diet and in the past year the price of eggs has risen by almost 47 per cent. The menu proposed by the Minister of Agriculture is totally unrealistic and unacceptable, even to those who can afford it. If you want to have the ultimate in a nutritional diet for the least possible price, I suggest that you buy dog food which is the cheapest and possibly the most nutritious food on the market today. But who wants to eat dog food? I suggest to the minister also, who wants to eat meat balls and gravy?

The committee's major recommendation deals with a Prices Review Board. We believe that this should be the kind of action to flow from a freeze that would have to be placed on all prices in Canada as a very first step. We believe this is necessary because all of the evidence indicates that prices will continue to increase.

The other recommendations of the committee are worth-while and we want to make it very clear that we support them. In order to present our own report however, we have to abide by this device of not concurring in the majority of recommendations because we did not support the principal recommendation which calls for what would amount to an ineffective Prices Review Board. In our opinion, this would be just as ineffective as the recent Prices and Incomes Commission.

The hon. member for St. Paul's (Mr. Atkey) will have more to say about the second recommendation of the committee because this is basically the recommendation for which he argued. It calls for changing the Competition Act so that those areas of the act dealing with misleading advertising be put under the Minister of Consumer and Corporate Affairs and become a separate act.

We agree with the third recommendation of the report which reads:

> That the government give consideration to the advisability of introducing legislation governing the nutrient content of foods sold to the consumer and requiring nutritional labelling because it is imperative that nutrition information be brought home to the consumer.

Everybody knows this is a fact. In this country nourishment is a problem of major proportions. There is evidence to indicate that there are children in this country today who are undernourished because of an inadequate diet; they are going to school on an inadequate breakfast. In the committee we heard a brief from the advertisers which supported the fact that advertising is not a major component in the high cost of food. The average percentage of advertising in the cost of food was between 1.5 per cent and 2 per cent, until we got to breakfast cereals where it rose to a whopping 11 per cent. The reason is product proliferation and the need for cereal manufacturers to sell this unnutritious junk food. Wheat germ has been removed from it and by the use of powerful and subtle advertising techniques children are induced to eat cereals which have no nutritional value whatsoever. There is no question in my mind of the need for the third recommendation of the committee.

The fourth recommendation deals with the media in consumer education. There is a definite need for that. The Croll-Basford Report resulted in the Department of Consumer and Corporate Affairs which has been about as effective as the Prices and Incomes Commission. The Prices Review Board proposed by the hon. member for Vancouver-Kingsway would be about equally effective.

There is a need in Canada today for a real consumers department and for a minister who is consumer oriented. The present incumbent seems to be oriented toward the corporate end of his portfolio. Perhaps a case can be made for a separation of the two levels of responsibility. Perhaps the corporate responsibilities of the minister should be returned to the Minister of Justice (Mr. Lang) where they properly belong.

Mr. Baker: There is a conflict of interest.

Mr. McGrath: Yes, there is conflict of interest. Perhaps we would then have a Minister of Consumer and Corporate Affairs who represents the best interests of the consumers of this country.

The fifth recommendation reads:

That the federal government, in co-operation with the various provincial governments, consider the feasibility of co-sponsored programs to get proper food on the tables of people with low income.

Who would quarrel with that recommendation? Everybody supports it. Anyone who has read the nutritional report of the Department of National Health and Welfare, which I think was called Nutrition Canada, and the report of the Senate Committee on Poverty, would be struck by the serious nutritional problem in this country. In this land of affluence there are families that are undernourished because of improper diet—not underfed but undernourished. There is no doubt that in areas of the country there is a need for dietary supplements. It is not necessary to have federal-provincial agreement on this because the provinces would welcome the initiative of the federal government in this regard.

Mr. Speaker, the sixth recommendation is the subject of procedural argument today and I subscribe to that notwithstanding the fact that it may have procedural limitations. As the minister's office is now constituted it is totally ineffective; the minister does not have the power to act, does not seem to have the resources to act and does not seem to have the heart or willingness to act. Perhaps we need to reread the legislation setting up the Department of Consumer and Corporate Affairs and governing the conduct of the minister. We subscribe to this recommendation and in committee played a major role in having it incorporated in the report. We do not subscribe to an ineffective Prices Review Board which would in no way solve the problem of the rising trends in food prices. If there is a trend it is the continuing increases in the cost of food.

What do we recommend, Mr. Speaker? As a first step, we recommend a 90-day across-the-board freeze. If anyone wants to argue about the effectiveness of a freeze, I would recommend that they study the effects of the freeze in the United Kingdom and in the United States and that they compare the increases in the cost of living in these countries to our own. They would come to the conclusion that a freeze is and can be effective. We believe that a freeze is necessary first of all in order to halt the spiralling increase in the cost of food which is a direct result of the anticipation of some kind of government action in one instance.

Another factor of course, is world market conditions. We believe that a freeze is necessary because the government would then be able to consult with the provinces who have tremendous jurisdiction in this area. For example, there could be consultation in the area of rents and other areas which are directly under provincial jurisdiction. There has to be federal-provincial co-operation. In consultation with the provinces, given the freeze and given the necessary power to work out the necessary mechanism, the government could devise a truly effective prices review board, one that would not recommend action through the minister but one that would have power to take effective action. That is where we quarrel with the major recommendation of this report. The hon. member for Vancouver-Kingsway can argue all she wants. The fact is that the committee is recommending the establishment of an agency which would be no more effective, probably less effective, than the Prices and Incomes Commission.

• (1640)

An hon. Member: Nonsense.

Mr. McGrath: Well, all you need to do is read the recommendation. It says that the government "give consideration to the advisability of introducing the necessary legislation to establish an independent Food Prices Review Board equipped with such powers as are necessary . . .". Necessary to do what? To review prices, I suggest. Ask any housewife in the country; she can review prices for you. She reviews them week after week as she goes to the supermarket and sees the weekly increase in the price of basic and staple food items. There you have the best review board in the country. I submit the consumers of this country are looking for action, and not for the sort of thing recommended here. They are looking for real action.

The boycotts in the long run will not be effective; they cannot be effective. The boycotts, nevertheless, are a manifestation of widespread consumer unrest in this country over the high cost of food and high cost of living. The government should pay heed to those boycotts and consider them for what they are, a manifestation of unrest.

What is this review board mentioned in the recommendations called upon to do? In addition to being given powers to review prices, it is to report to the Minister of Consumer and Corporate Affairs. Then, the first recommendation reads:

In its report to the Minister, the Board could make recommendations concerning appropriate action to be taken.

What kind of appropriate action would be recommended? The government would not have to take such action. Given our present parliamentary situation, if that review board recommended that there be a freeze on wages, salaries and incomes in the country, do you think that such a recommendation would be supported by the NDP? Of course not! Consequently, if this board is to be effective and placed outside the realm of partisan political influence, it should be given powers to act on its own. We maintain that such a board could conceivably result from a freeze but, first, there should be a freeze. Then, the mechanism could be devised. That mechanism could result in an effective instrument being created and not in the ineffective sort of recommendations of this report.

We also look at this matter in the broader context. We feel that there should be a reversal of present economic, monetary and fiscal policies of this government. The government should introduce a real expansionist program. It should cut back certain sales taxes, particularly the sales tax on food, which is especially hard on Canadians with lower incomes. There should be a general reduction in such taxes. A case could be made for a general reduction in unnecessary government expenditures. We believe, Mr.

Speaker, that this would provide the necessary thrust to lift the Canadian economy out of the unemployment slump in which it now is. That action would put cash into the hands of those who need it most.

Some of us may live in a cashless society, but you still have to lay down hard cash when you buy food in this country. That is where the poor and those on low and fixed incomes are disadvantaged. They do not have the necessary cash. Oh, sure, they buy their television sets on the never-never plan, and they buy their automobile on the never-never plan; but when they go to Dominion, or to Steinberg's, or Loblaws or any of the food chains of this country, they still have to pay cash, just like everybody else. Actually, they pay a disproportionate amount of their cash for food, because the kind of food they need for their diet has become more expensive. Cheap cuts of meat and hamburg have gone up by 18 per cent. They cannot afford steak. They do not eat it. They cannot afford roast beef; they eat the cheaper cuts of meat, and those cuts have gone up in price to the point where, in some cases, a meat boycott is mandatory because those people just cannot afford to eat meat.

We believe that a temporary 90-day freeze should be imposed on all incomes, that is, on all dividends, fees, wages, salaries, and on all costs and prices except those relating to food at the farm gate. We do not believe that you can impose these kinds of controls on the farmer because when the food leaves the farm and enters the hands of the processor, the inflationary process begins. That is where the inflationary factor begins to work, not at the farm itself.

We believe that during the period of the 90-day freeze the government could find the necessary time to come up with meaningful policies for fighting inflation in this country, inflation that has taken such a tremendously high toll of those on lower and fixed incomes. More important, we believe that if the subsequent hearings of the committee are to be meaningful, if that committee is to be effective, it can only do useful work within the framework of a freeze. That is why we do not support the recommendations, or the major recommendation, of the committee. That is why we, if this motion comes to a vote, will vote against it.

Mr. Gray: Shame.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I listened very attentively to the comments of the hon. member for Vancouver-Kingsway (Mrs. MacInnis) as well as to those of the member who just resumed his seat.

Mr. Speaker, since 1948, a few years after the Second World War, we have been hearing in this House complaints and laments from everyone about increases in food prices. We hear suggestions. For instance, two parties believe we should have a minister of consumers who have no money, as is the case now. Unemployed people get a mere pittance, people under social welfare get scraps and they think that the appointment of a minister of consumers would solve the problem.

Mr. Speaker, the only way to solve the problem is to give consumers a way of choosing what they want. That would

be the solution. The member for Vancouver-Kingsway suggests that we should set prices for certain products but not for others, that we should prepare diets to help the Canadian people eat better at lower cost. Mr. Speaker, is it up to a government or a political party to tell consumers what they should eat and should not eat. Should the government decide for the family? Is that what they should do? Should we not try to balance the consumers' purchasing power with industrial and commercial prices, with production prices. Not a word about that. The hon. member for St. John's East said a while ago there was an NDP—Liberal coalition to maintain the present system as it is.

• (1650)

On many occasions, we have submitted the Creditiste solution which is a compensated discount on retail prices following an agreement between the government and the retailers and this not by force but voluntarily. Under this agreement between the government and the retailers, they would grant a 20, 25 or 30 per cent discount on retail prices. Then the consumer would pay 30 per cent less and the retailer would not lose one cent since the discount would be refunded to him by the government.

This solution did not come to the mind of any other political party because we can see the liberal, progressive conservative and NDP coalition. Each time we introduce a motion aimed at improving the consumers' purchasing power, they close ranks against any solution proposed by Creditistes.

Yet they are more than willing to establish all kinds of new gimmicks with a bureaucracy worse than what we now have, to appoint a new minister of Consumers—as I said earlier—even though consumers have no money. Would this solve the problem? No!

Let us tamper with anything, let us attack business, the distributor, everybody but not the financial system which is sacred! Let us keep on imposing all kinds of taxes under the pretense of relieving the consumer. But exactly the opposite is happening.

Since 1948, prices have been increasing be it for food or anything else. Instead of subsidizing the consumer to buy products, we subsidize the producer to produce more to the point where we have an extraordinary volume of products of all kinds and consumers without purchasing power.

This is no solution, but what is suggested? Price controls. What would that do? Exactly what they did when we had controls. At that time, I was operating a small grocery and prices as well as on many of the products we were entitled to have. We were using ration coupons and we could not buy more than prescribed by these coupons and at controlled prices.

Mr. Speaker, there was also at that time the 2 cent discount on the quart of milk. But what did price controls give us? Black market. And this black market was not only practiced by big wicked financiers, big wicked producers or big wicked industries. Not at all. There was black market even within our cooperatives.

The New Democratic Party is aware of that. There are many co-operatives, in western Canada, and there was black market there just like everywhere else.

I recall that at that time I used to buy my butter in a co-operative of Nédelec, in Témiscamingue, in my riding, with ration coupons. I was entitled to one pound per coupon, which was the limit fixed by the government. The price was also fixed, but if I wanted more, I had to pay a little more, without coupon, and I bought as much butter as I wanted. It was a co-operative—not a Steinberg supermarket—that of Nédelec. The same thing happened everywhere else.

Some time later, I used to work in the automotive trade. Tires were controlled by the federal government, through the famous wartime Price and Trade Board. We could buy tires with rationing coupons at a price established by the government. Apart from that, we could get as many tires as we wanted on the black market, at $10 more per tire than the current price. And tires also used to be sold by co-operatives both in our region and in western Canada.

The price of cars was controlled by the government and established at $1,500. But if you went to a car dealer, you could get a car without coupon for $1,000 more than the current price. That is what the NDP would like to see. The hon. member for Vancouver-Kingsway would like the government to control prices of certain products only. It would be so much easier to free all consumers from such a terrible bureaucracy. But no, we do not hear anything about the consumer. When we do, we hear: They are paying too much. It is obvious that they are paying too much. But their solution is fantastic. The paradox is the following: Let us control consumer retail prices so they will not go up any more and let us help the farmer and the primary producer to keep them from going bankrupt. They also say: Increase the minimum wage. Increase subsidies to farmers. Increase the aid to wheat growers. Increase old age security pensions, pensions for bureaucrats and other pensions. Increase all that. Have strikes on top of that and then try to control prices. I am telling you, that is a very intelligent solution. To solve what? Nothing.

Mr. Speaker, we regret price increases but we hear from all sides: Let us increase salaries and profits. They center on those who are going to make a profit of 4 or 5 per cent and they say: For those who are earning only 90 cents an hour, let us increase their minimum wage to $2. They do not say that that is directly included in prices. No, they are not honest enough to say so. We do say so, Mr. Speaker. An increase in minimum wage will not save the consumer and the worker, but rather the national dividend added to their present salary, a dividend which does not go into prices but which comes directly from the Bank of Canada, a financial institution owned by the people of Canada. That is the solution.

Salary increases go into prices and then people shout: Prices have gone up, it is obvious, they are crying for a price increase. When you cry to get it, well, you have to suffer through it. If they do not want to face a logical solution, let us continue to fiddle about as we are doing now.

Mr. Speaker, there is nothing new about the coalition of the old parties to tell people what they should or should not buy. This has been going on for years. It was done in wartime and it is still done now. This is why we of the Social Credit Party of Canada are saying: the compensated discount at retail level would definitely solve this problem.

For instance, price increases in the field of raw materials development, price increases for finished products, price increases in the distribution sector are fantastic. A can of tomatoes, corn, beans, salmon or sardines costs today twice as much to produce, thus rising its retail price.

Mr. Speaker, is there a private members' hour?

[*English*]

Mr. Deputy Speaker: Order, please. Perhaps this is a convenient place for the hon. member to interrupt his speech or have his speech interrupted.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Central Nova (Mr. MacKay)—Finance—Meeting of federal and provincial Finance Ministers—Inquiry as to proposals respecting estate and capital gains taxes; the hon. member for Assiniboia (Mr. Knight)—Grain—Suggested increase in subsidized price of wheat for domestic consumption; the hon. member for Lisgar (Mr. Murta)—Grain—Wheat—Disparity between cost of hopper cars purchased by government and those bought by United States railway.

It being five o'clock p.m., the House will now proceed—

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Your Honour was about to call private members hour, but I believe there have been some discussions as to the possibility of continuing with the debate we have been having this afternoon. May I put it this way. The arrangements today included considering the second reading of Bill C-21 in the name of my colleague, the hon. member for Nanaimo-Cowichan—The Islands (Mr. Douglas). If there could be an understanding that this bill would be called either Thursday or Friday, my friend would be willing not to proceed with it today so that we can carry on with the motion before the House.

Mr. Foster: Mr. Speaker, I believe there would be agreement on this side of the House to that arrangement.

• (1700)

Mr. Bell: Yes, we agree.

Mr. Deputy Speaker: I gather that there is agreement. The hon. member for Témiscamingue is recognized to continue his speech.

Food Prices

Mr. Knowles (Winnipeg North Centre): Does the hon. member for Joliette agree?

Mr. Caouette (Témiscamingue): The independent member does agree.

ROUTINE PROCEEDINGS

FOOD PRICES

The House resumes consideration of the motion of Mrs. MacInnis: That the first report of the Special Committee on Trends in Food Prices, presented to the House on April 2, 1973, be concurred in.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I resume the outline of the solution advocated by the Creditistes for some 30 or 35 years. When we suggest the setting up of a compensated discount on retail prices, after agreement between the central government and Canadian retailers of course, so that prices might remain what they are, we feel that the retailer should be free and not forced to adhere to the agreement. If he did, he would become entitled to the discount decreed by the government. A Minister of Consumer Affairs or Consumers should not be appointed in Canada. The Minister of Finance could be used and that would create far less embarrassment than the present situation. Let us take a typical example. At the present time, any . . . member or any other Canadian can buy for $1,000 of Canadian goods at current prices. If he does not have the money, he borrows from a finance company. In such cases, it will cost him $200 to finance his $1,000; meaning he will have to reimburse $1,200 for $1,000 worth of merchandise. If that same buyer has $1,000 to pay cash, he will be able, in most areas of economic activities, to obtain a 20 per cent discount. If he is granted a 20 per cent discount, this means it will cost him only $800 to obtain $1,000 worth of goods at current prices.

Mr. Speaker, this represents a difference of $400 on a $1,000 purchase. It is a matter of a 40 per cent saving, or $400 on $1,000. Mr. Speaker, this solution would help the consumer and would boost his purchasing power without price increases. It would be entirely different from what we hear the other political parties propose. It's easy to tell the government: You are wrong, your are wrong, you are wrong. There are two or three New Democratic governments in Canada. Let us go and see if prices are different in the New Democratic provinces. A can of tomatoes costs as much in Winnipeg as in Montréal. And yet a New Democratic government has been in office for three or four years.

When I hear the New Democrats talk like that in the House, I say to myself they are a bunch of practical jokers. They are people who state principles, but who are incapable of applying them. So they accuse Ottawa. In the province of Quebec, a department wants to help consumers, while at the same time another suggests a tax increase and a third thinks that the minimum salary must be increased and that the establishment of an annual guaranteed income must be pursued, but not get financing where it must come from. Oh no! They get it by levying taxes, from the taxpayers' pocket. That raises prices still further. Then there are reports from commissions. As though we did not have enough commissions! We have the Food Prices Commission, and the commission to help producers form associations to protect their prices. After that, it is suggested that we have a commission to control consumer prices. The consumer will be told, as I said at the beginning: Do not eat bananas, do not eat too many apples, get sardines instead, do not go here, do not go there. There are controls and commissions for all these things. We also have the prices commission, and another commission to check if the prices commission is taking sensible action, and a third one to check on the checkers. So we build a pyramid of bureaucrats. And who pays for all that? The consumer whom we are supposed to be trying to help. It is a pretty comic set-up. They called themselves a Liberal-Progressive-New Democratic coalition, but all three have the same solution, and none of them has the courage to attack the financial system that has caused the economic chaos which, in turn, mirrors the chaos of the whole society. We are witness to the discontent of all classes of society and the uprising of young people against those in power, against the authorities. Why all this? These are the consequences of a system that refuses to serve them.

The answer, Mr. Speaker, is a 20 or 30 per cent compensated retail discount, to be negotiated with the retailers. There were protests recently about the 4, 5 or 6 cents a quart rise in the price of milk. And people ask how we are going to feed children in poor families. With spruce or birch "juice"? It is not so bad in spring; there is always maple water, in the areas that produce it. But that does not solve the problem. Talking about milk, they say: The big dairies are the ones which are exploiting us; but they do not say that 25 years ago, you could buy a quart of milk for 12 cents. Oh no. Only them, a milkman would earn $35 a week. You could buy a milkman's truck for about $2,000; and gas for 22 cents a gallon; a tire cost $10. Today the milkman gets $125 or $150 a week. A truck which was sold about $2,000 now costs $5,000. All this affects milk prices to a certain extent.

The refrigerator trucks used for transporting milk were not very widespread 25 years ago. People drank fresh milk when it was not sour. They were sometimes forced to put in some gin. Mr. Speaker, things have changed since then. If we urged the New Democratic Party members to reduce the milkmen's wages and the price of trucks as well as the wages of people who work for Ford, General Motors, Chrysler Corporation or American Motors, they would cry shame. Nobody wants to admit that conditions have completely changed. I find we pay too much for milk but does the farmer get more? He gets more today than ten years ago when we were elected to this House. For his industrial milk, the farmer gets at least twice the price he received ten years ago. The price is $5.35 a hundredweight.

Mr. Gauthier (Roberval): It is $5.37.

Mr. Caouette (Témiscamingue): It is $5.37 a hundredweight. Mr. Speaker, I think they got $2.64 in 1960.

• (1710)

We do not talk about that. Someone said that prices must be controlled, and that means wage control, profit control, indeed control of everything as was done during the war and two years after, I believe. The prices were controlled because it was feared there would be a shortage of products and coupons were issued. So we would have to go back to the coupon system. If we make a selection of products, we will end up with coupons. However, some feel the coupon is more respectful of the human being? It is impossible to adjust the ration coupon to the hungry stomach. No, the ration coupon is printed and then you have to make do with what you can buy with it. But they do not understand that. Let us take the workers in the Noranda mine, working in the hole. Some eat four sandwiches for their meal, but others who work at the same place need only one. But, the NDP says: No, that is wrong, everybody must have equal treatment. Let us give one sandwich to everybody. Those who need four sandwiches will starve. You, little man, will be restricted to three; let us give three to everybody. You are not hungry but eat anyway, it is the government's decision.

Mr. Speaker, we lived through those hardships during the war; I do not want them during peacetime nor do my colleagues. What we want is an increase in the purchasing power so that the consumers can buy products which are made for them. It is as simple as that. During the war, the price of every product was controlled: jams, cars, meat, butter, tea, coffee, etc. What were the results? Everyone was bothered.

Mr. Speaker, the compensated discount to the consumer should not be financed by taxes. When we already have enough, it is not time to tax more. The compensated discount must be financed by the Bank of Canada. The governor can increase the interest rates; he has done it a few days ago. The governor will be given orders to support consumption. Instead of being maker of interest, debts, taxes, the Bank of Canada governor would serve the Canadian people and not the Canadian chartered banks.

Mr. Speaker, that is the solution advocated by the Social Credit party. Some will still find this funny because the financial question overcomes them. Social Credit, it is said, will create inflation and so on. Inflation already exists, we have price increases and everything that goes with that. Social Credit is not applied in Canada but we have a liberal system similar to the conservative system of four or five years ago. The situation is the same all over Canada; premiers, prestigious and capable men fall on their kees in New York to sink the provinces and the country deeper into debt, and that is normal! Let them stand up as men before the governor of the Bank of Canada and tell him: Sir, you are an employee of the Bank of Canada belonging to the Canadian people; you shall do what we tell you and not what the financiers are ordering you to do. Then, we shall reach a solution. But we are all too much afraid to speak about it. Why? I do not know. Let us talk about everything except the actual reason for the Canadian people experiencing problems in Canada. The funny thing is that if a war was to break out tomorrow morning, there would be no more problems. The financial circles would be on the spot just as quickly as guns would be available; the financial circles would be in attendance, quite manageable, and we would be short of nothing. We hear about pollution and the costs of a controlling it. The American people say that such an undertaking will cost a lot of money. If they spent to fight pollution half of what they have spent to land on the moon, the pollution problem would be quickly solved in North America. However, it was more important to fool away their time on the moon, where they could see nothing, than to create on earth a system allowing human beings to live as human beings should and can live in affluent countries. People are moved to pity, and rightly so, by the fate of underdeveloped countries, but they are afraid to be moved to pity the fate of the Canadian people.

Mr. Speaker, time will come when people will see otherwise. People will turn to the Social Credit party to promote personal initiative, help private enterprise, develop our country to the utmost, find help for the Canadian people and all the others who need us.

Mr. Speaker, we will be witnessing in our country some difficulties experienced in many other countries. We will then be put into a strait jacket as in socialist countries where the government takes all decisions, where people are even afraid to state openly their views, where they are always afraid to be caught napping by the state police force. We will then regret having remained idle when we still had the freedom and the power to act. It will be too late because we will have refused to consider making the necessary changes.

Mr. Speaker, are we going to wait to be bombed before acting and looking for true solutions. We must not find solutions by creating new and worse problems than those we now have. Price controls would be worse than present conditions. We would restrict personal initiative and free entreprise, but public services would in no way be improved. The government would remain an organization working from 9 to 5, whereas the private sector employee must work 18 hours a day. Try and make a bureaucrat work until 11 p.m. and see how he works. He does so unwillingly, cursing the government.

Yesterday, in a dining room, people were moaning, saying how hard it was to work there, that it did not pay enough. Then, I said: When one is not happy to work somewhere, one goes to work somewhere else. It is that simple.

Those who were crying for a job go on strike after getting it. That is how clever the system of the New Democratic Party is, anywhere.

People cry for a job, but once they get it, they go on a picket line in order not to get back to work.

Mr. Speaker, when you reach such a point, you look rather silly. And yet there is everything in plenty to supply the whole population, to help everyone, parents, young people, children; all those, the Canadian family has plenty of. What is lacking in Canada? Purchasing power and nothing else. Is there a shortage of automobiles? No. What is in short supply? Services? No. Do we lack doctors? No, we have them. Are we short of lawyers, of farmers? We have everything.

Mr. Speaker, what is lacking is purchasing power. Therefore, why not study that aspect of the problem? The

basis of an economic system, to be rejected or accepted, is service to Canadian consumers.

Mr. Speaker, consumers should be protected and if they are, if their purchasing power allows it, all other social classes will be saved. Obviously, the consumer encourages the producer. Who is the producer? The farmer, the worker, the whole population. Production should be financed by consumption; then, we would not have the type of problems we now know. We would not miss the obvious, or seek silly solutions such as spending our time setting up boards, as we do now. Setting up boards does not feed the poor in Montreal, Toronto, Vancouver and Rouyn-Noranda. But it sure empties pockets, though, you may be sure of that!

Mr. Speaker, the Créditiste solution is plausible; as for controlling prices, obviously we will fight them with all our might and any control measure, regardless of the party that suggests it, will certainly not get the support of the Creditiste members. I ask my colleagues to do their utmost to prevent the "controllers" from taking over the very life of the Canadian consumers, the Canadian people.

• (1720)

[*English*]

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the debate so far has been useful in showing us the positions and, in at least the Conservative case, the lack of position, of the opposition parties in this House. The hon. member for St. John's East (Mr. McGrath) suggested there was something wrong with the order of reference to the food committee in allowing it, in effect, to deal essentially and primarily with the price of foods. Instead, he agreed its work should have been on a much broader scale. I suggest that this argument overlooks completely the fact that food prices have risen more rapidly in recent months than other components in the consumer price index. The hon. member for St. John's East also suggested that the very existence of the committee has somehow caused prices to increase rapidly in anticipation of control.

I say to you, Mr. Speaker, that if there is an increase in prices in anticipation of controls the blame for this can be put solely and squarely at the doorstep of the Conservative party. Members of the Conservative party were the ones who, day after day in this House and in the committee, were pressing the government to disclose the details of its contingency plans in regard to price and wage controls. Second, it was the Conservative party itself which formally proposed that if it had been the government it would have instituted a freeze on prices and wages to be followed by more permanent steps. They had pretentions that they might at some point—something which is very unlikely—be forming a Conservative government. Certainly, if there has been any increase in prices in anticipation of controls it has been due to a self-realizing prophecy brought up solely by the Conservative party.

I want to indicate the contradictions and divisions within that Conservative party. Its members have now suggested that they would have instituted, if they formed the government, a price freeze, including a freeze on the price of food except at the farm gate. But a few weeks before one of their principal spokesmen, the hon. member for Kent-Essex (Mr. Danforth), said that they would be introducing "some price controls on all items except food." Surely, this is an indication of the lack of clarity in their own thinking as a party, and surely this is an indication of a lack of any clear position of what they would be doing as a party in the unlikely event they might form the government. I think what they have said in this House, in the committee and outside the House, really demonstrates essentially that they have not got any clear idea of what they would do about increases in food prices and prices generally.

Hon. members of that party have called for a 90-day freeze on prices and wages, but they have made very clear in this House today and previously, that they have not the faintest idea as to what they would do at the end of that period. They do say they would not apply their price freeze to prices at the farm gate. I suggest that if this approach were ever put into effect it would likely be a cruel deception and disappointment for the farmer. They say the freeze would not apply at the farm gate, but I ask whether this would not be a freeze in fact if the farmer could not sell at a higher price, if he wished to do so, since the middleman would not be willing to buy at this price in view of the fact the increase could not be passed on down the food chain, ultimately to the consumer. What better indication could there be of the lack of decision on the part of Conservatives in this respect? I think the Conservative position is nothing more than sound and fury, signifying nothing. It is nothing but a blatant and desperate effort to score political points. This is proven by the fact that they admit the report of the Special Committee on Trends in Food Prices is constructive, and claim they agree with most of it, yet will vote against it. I submit that the report of the committee is worthy of the kind of support the Conservative party, in spite of its members' praise for the recommendations, is unwilling to give it.

As the minister who proposed the motion in this House setting up the Special Committee on Trends in Food Prices, I know of the many hours of deliberation, consideration and debate that was required to produce the report within the time limit imposed by this House. I believe, as I think most hon. members do, that it will be one of the more important documents of this parliament. There are several noteworthy points about the report. First of all, it is readable. It deals with the concern of Canadians over high food prices in language that all can understand. It does not hide behind the jargon of the experts. When the committee does not know the answer it says so. When further study and analysis is required, it proposes that it be made.

Second, the report is fair. It must have been tempting for some committee members to seek simplistic solutions to the problems of high food prices. I think it is a credit to the committee that it recognized that the factors and causes of the recent acceleration in food prices are complex and that it was not possible to seek out a villain or a particular group as the single cause.

The interim report clearly indicates that any comprehensive examination of the problem must deal not only with the primary producers, with the farmer and the

fisherman, but also with the food processor, the food retailer and the consumer; it must deal not only with the domestic market but also with the international situation; it must deal not only with the cost of primary production, the price at the farm gate, but also with the expenses of processing, transportation, packaging, advertising, wholesaling and retailing.

Third, the report is realistic. The interim report has some useful comments on the extent to which governments should intervene to control the operations of the marketplace. I was particularly interested in its finding that there was almost unanimous opposition among witnesses to the idea of imposing price controls on food products alone, or imposing price controls at all.

The committee in its report clearly recommends that controls are not a surefire solution to this problem. After all, controls, if introduced at the wrong time and without due regard for the fundamental factors governing food production, could well lead to situations of decreasing supply and in the long term result in the development of a food price upsurged even more widespread than we have faced over the last year.

I was also interested to note that the Conservative government of Alberta shared this concern and expressed its opposition to controls as a solution. It said in its brief to the committee it felt "that detrimental effects would result for the food industry and the consumer in the long run" from controls.

Fourth, the report is one with a conscience. It shows a real concern for those living on low incomes, for whom the recent rapid increase in the cost of food has created hardship. The government shares this concern. The interim report was tabled a little over a week ago. In that brief period of time, I have had some opportunity to begin discussing it with my colleagues in the government. I want to say that the government intends to make a positive and full response to each and every one of the recommendations set out in the report. Work is now under way within the government to analyse and examine the implications of all of the recommendations and to develop responses in terms of new activities or extensions of existing activities. While it may be necessary in developing these responses to modify details to meet the requirements of particular circumstances, I can say that the government is in full agreement with the main intent of each of these recommendations. I therefore, ask the House to concur in the interim report. It is the government's objective to place before the House as soon as possible comprehensive statements as to how the government intends to respond to each recommendation.

• (1730)

The committee listed the main reasons for the worldwide upsurge in food prices. I am referring to such things as crop failures in certain parts of the world, the disappearance of fish from waters off the west coast of South America and the resulting shortages of high protein meal, the floods that occurred in some parts of North America, the effects of livestock production cycles, the rapid rate of rise in the demand for meat and other factors that have been raised on many occasions over the past few months.

The committee noted, after looking at the rate of increase in retail food prices in 27 industrialized countries between 1967 and 1972, "the rate of rise in Canada was lower than in all but six of these countries, namely, West Germany, Australia, Switzerland, Austria, Mexico and Italy, and was only marginally above the rates recorded for most of these leaders." Of course, the rise has been particularly rapid in Canada in recent months, but with the exception of food I think the record shows that few countries have had better consumer price performance than Canada during this period.

As I mentioned earlier, the committee has avoided the pitfalls of supposing that rigid price controls applied to food could be what is required. Instead, it has recommended a flexible review procedure. It has resisted the temptation to forecast how effective a price review operation might be. I personally think we can be hopeful that price reviews that are flexible and efficiently conducted can have salutary results. But I agree with the caution with which the committee has approached the subject. I also agree with the prominence it has given to the idea of concentrating as much on studies of efficiency of resource use in food industries as on investigation into the possibility that excessive returns are being received by some participants in the chain of food production operations.

Let me deal more specifically with the recommendations in the report. As I have just said, it is not yet possible to put before the House a detailed response to each recommendation; the government does require further opportunity to complete its work on them. A major recommendation of the report is the one calling for the establishment of an independent prices review board. Regarding this recommendation, I can now say that the government agrees there is need for a mechanism to review and examine the causes for particularly striking increases in staple items in the food budget of the consumer, and whose findings would be available to parliament through the Minister of Consumer and Corporate Affairs. This is an area where more facts could have a beneficial effect in moderating upward trends in food prices.

I would be less than candid, however, if I did not remind the House of the complexity of this issue. Indeed, the interim report of the committee has clearly shown that many factors underlie increases in food costs and that easy solutions in this field will not be found. But I do want to say that the government intends to announce its detailed plan of action for a review mechanism before the end of this month and, hopefully, within the next week or two.

In its examination of food costs, I was pleased to see that the committee did not overlook the importance of competition as a policy instrument that can have a key role to play in maintaining cost-effective markets for food in Canada. It is clear from the outline of the future workload of the committee that it intends to explore vigorously this aspect of the food situation over the next few months. As the House knows, the government has stated that it will be bringing forward a competition policy which will reflect the consideration that has been given by it to the many comments it has received from the public on the

original draft bill. The government will expedite its work in this regard.

I note that the recommendations in the report concern only those sections of the draft competition act appearing to deal directly with consumer protection, but I think there are other aspects of the proposed bill that are also of concern to the consumer and have a bearing on the issue of food costs. As the interim report notes, factors such as concentration in the food wholesaling, processing, packaging and retailing activities of the food industry and overcapacity in food distribution are areas where further examination is required by the committee. In its work on this recommendation the government will bear in mind what I believe is the main intent of the committee's recommendation, that is, an assurance that competition in the food industry will be improved to the benefit of the consumer.

Another major recommendation of the interim report dealt with the hardship caused to persons on low income resulting from increases in food costs. It is these people who suffer most from upsurges in food prices. They do not have the ability to weather a rapid increase in food prices without serious deterioration in their living standards. They are not in the position of some Canadians whose purchasing power has increased rapidly over the past decade in spite of the increase in the cost of food.

The Department of National Health and Welfare is already involved in cost-sharing with groups cited in this recommendation. This is a matter of shared federal-provincial responsibility. Through the Canada Assistance Plan, the Department of National Health and Welfare already shares with provinces the cost of approved programs such as meals-on-wheels for senior citizens and shut-ins who meet a needs test. Additional sharing is provided in respect of hostels which provide food and shelter for transients. Amendments to the Canada Assistance Plan regulations effective November, 1972, have provided for the expansion of financial support to day-care services to include, among other items, the cost of food. The legal provisions are there, and undoubtedly there is room for expansion and improved distribution of services under the existing provisions.

The government has stated its intention to introduce legislation on family allowances in this session. This was confirmed by the Minister of National Health and Welfare (Mr. Lalonde) during today's question period. This legislation should improve the purchasing power of low-income families and disabled individuals and help put more food on their tables.

Adequate nutrition for Canadians is of special concern to the government, particularly the Department of National Health and Welfare and the Department of Consumer and Corporate Affairs. The nationwide nutrition survey launched in October, 1970, is now being analysed. The final results are expected this October. This survey took into consideration the effect of low income on the nutritional status. We look forward to the findings of this study in guiding us on programs and policies to improve the nutritional status of Canadians. The Minister of National Health and Welfare intends to discuss these aspects of the committee's recommendations further, within the framework of the review he is now undertaking of the social welfare policy in conjunction with his provincial counterparts.

The remaining recommendations of the committee concern consumer education, the advisability of introducing legislation governing the nutrient content of foods and government support for consumer groups appearing before federal regulatory boards. I want to assure the House that the government is developing further programs in each of these areas and they will be announced as soon as work on them is completed.

To conclude, I wish to reiterate that the approach the government is taking to the interim report of the committee is that it will do its best to make a positive response to each and every recommendation in it as quickly as possible. I therefore urge this House to concur in the interim report of the special committee.

• (1740)

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I listened to the Minister of Consumer and Corporate Affairs (Mr. Gray) and I honestly wish I had not done so because his speech was the same threadbare type that we have been listening to constantly over the past few months. In his speech the minister embraced fully the interim report that has been put before the House. Why shouldn't he, Mr. Speaker? In most instances it contains almost word for word the testimony that he gave before the special committee.

It is no coincidence that the minister was able to stand up in this House today and tell us in how many ways the government was already acting on the recommendations of the committee. It may be working on the recommendations, but the fact remains that we still have high food prices and a high cost of living. Listening to the minister today bore out in no uncertain terms the contention held across the country that this is just a tired old government, without any ideas, without any initiative and it is time it was gone.

Why was the special committee established? It was set up because the Minister of Consumer and Corporate Affairs and the government had absolutely no other program or way to combat the increasing cost of living that was panicking everyone. Their answer to the people of Canada was to set up a special parliamentary committee. In my candid opinion, the members of that committee did everything possible to determine what the problem was, even working under the deadline with respect to this interim report. But, Mr. Speaker, the task was impossible: it just could not be done. The fact that the government has rushed to embrace this interim report is a good indication of why we could not make any progress in the committee.

People engaged in the food industry believed, because of the haste in which the committee was established and the confining of its terms of reference to food only, that the government was looking for a scapegoat. The briefs submitted to the committee bore that out; in almost every instance they were defensive. Under the circumstances I do not blame any witnesses who came before the committee. I would be tempted to do the same thing. That is why we have not made progress in the committee. The minister scoffed at us in the Conservative party for proposing a freeze on food prices and wages. He called it a control. He

said the people of Canada were not ready for controls, and castigated us for being divisive. This is absolute political hypocrisy. If it has any power and takes any action whatsoever, what in the world is a review board but a control?

What is most clear is that the minister does not understand the farmers of this nation. He said the proposed prices review board will be a control, but only on food prices. There will be no freeze on wages and prices, as we recommended. This means it will extend right back to the primary producer. What the Minister is actually saying is that the farmers of the nation will be asked by the government to bear the blame for the high cost of food.

The minister went on to say he was going to put the interim report before the cabinet for study. But nowhere is there to be found any thought of controlling the increases in the cost of living. That is what consumers are interested in and that is what this party is interested in. Hon. members opposite scoff at the freeze suggested by this party; to them it is laughable. The members of the NDP are against a freeze. They point to the United States. Mr. Speaker, I would like to point to the United States, because the 90-day freeze in that country stopped the spiralling increase in their cost of living rising to three times that of Canada, in a period of one year, to the point where it is now two-thirds of the increase in Canada.

Mr. Gray: What happened after they took it off?

Mr. Danforth: I am talking about right now. Today it is only two-thirds of the increase in Canada. The NDP, through their spokesman, the hon. member for Vancouver-Kingsway (Mrs. MacInnis), derided control. Has the hon. member no concern for the consumer? The figures show that the action taken by the U.S. government resulted in a substantial saving to every housewife in the United States. To me, that is the name of the game. That is what I am interested in.

Here we are talking about setting up a prices review board. We have had many review boards in this country. I have reason to know. We have had problems with tariffs. We have had review boards to determine whether an import has hurt a Canadian commodity or Canadian industry. Do you know how long it takes these boards to make a report? It can take anywhere from 13 months to 18 months. If we are to have a food prices review board that will take 18 months to make a recommendation to the government, and then the government will take time to consider the recommendation, food costs will have risen out of sight before any action is taken.

The hon. member spoke about not having a price freeze and said she does not believe in moral suasion. But she talked about state control. She talked about government action to roll back prices. That is state control. She says that we should roll back the price of food and subsidize the farmers with taxpayers' money. Mr. Speaker, the farmers do not want subsidization; all they want is a fair return for their products. The hon. member also said we should subsidize the lower income groups so they could buy food with higher nutritional value. That is a laudable point. But again, Mr. Speaker, that is using taxpayers' money. Our policy is that we should reduce taxes. Let us get people working so they can buy their own food and make their own choice. Let us not have a socialist state, with all initiative destroyed.

The hon. member also said that we must not touch wages. I am interested in that point. What part do wages play? Wages can be a multiplying factor. If there is a wage increase of 10 per cent or 5 per cent in an industry which builds tractors, the increase is passed on to the farmer and he has no way to meet it except from the sale of his products. If there is a wage increase in the industry which makes food containers, that increase will be reflected in higher food prices. An increase in the salary of the manager of a food chain is reflected in the consumer price. Every time railwaymen get an increase in wages, transportation costs go up and the price of food is increased. These increases are passed on to the consumer. I am not saying this is unjustified or wrong, but I think we should know the whole story.

• (1750)

I was disappointed when the CLC appeared before the committee and did not justify the part that wages play in the cost of food. Mr. Speaker, the committee's terms of reference were to investigate the trends in food prices. In order to conduct a fair and just review we must find the basic reasons. I think many committee members feel that in order to decide what is actually happening, we must have more pertinent information. I believe that the only way we can get this is to take any group of basic commodities used by the average housewife in this country and send out an inquiry from our committee to everybody who has anything to do with those foods, from the primary producer to the ultimate consumer. Pertinent and simple questions should be asked such as: How much does it cost you to process it or semi-process it? How much does it cost you to provide services? What is your selling price when you pass on these costs? Give us a list of your input in order that we may judge the part it plays in the food chain.

The food chain is a very very complicated business, Mr. Speaker. For a parliamentary committee to think it can examine the food chain in two meetings a week, over a period of two months, is absolutely ridiculous. I think every member was aware of this fact at our first meeting. This is why I feel we have not achieved anything. I cannot support this interim report because I do not believe it does the job we were asked to do. It is only an interim report, but on this very basis the government is ready to plunge into action!

Some hon. Members: Hear, hear!

Mr. Danforth: The interim report itself says the committee is not satisfied that it knows the answers. These are minor recommendations, temporary recommendations; they are not solutions. If they are, the committee is ridiculous. There is no man or woman in this House, Mr. Speaker, who does not fully realize that if every recommendation of this interim report were implemented, it would not make one percentage point of difference to the cost of food. The only people to be influenced at all would be those on welfare, and they would be given a great deal of purchasing power.

We were asked to study the trends in food prices, Mr. Speaker. In its report, the committee did not say a word

about the very evident fact that wages have increased by 5 per cent, on average, over the last four or five years and will increase by 5 per cent this year and next year. This means the cost of food will increase by that amount as well, unless there is drastic curtailment at the producer end. There will be an increase in the price of food if wages go up. There is nothing in the report to say that, based on increased prices and built-in cost, the price of food would not continue to rise. There are just nebulous solutions put in there to relieve this government of responsibility for an economic program that has caused the highest inflation in the western world apart from two other nations.

This government points its finger at the United States. Mr. Speaker, housewives in this country would love to be submitted to the increase in the cost of living that is evident in the United States, rather than that in Canada. It is all right for the minister to ridicule this party because we asked the government to consider a plan that has worked, over one which no one is sure will work or how long it would take. Even the hon. member for Vancouver-Kingsway who introduced this proposition to the committee, and may I say that she worked hard in the committee—

Some hon. Members: Hear, hear!

An hon. Member: That is the best part of your speech.

Mr. Danforth: Even the hon. lady herself expressed tremendous doubt in her own proposition. If members opposite had been in the House to listen to what she said, they would know it would need a tremendous amount of legislation to obtain absolute government control in order to make this proposition work. Mr. Speaker, through its minister the government did not propose to bring in legislation; they said they were going to send this report to cabinet for study.

Mr. Gray: No, I did not.

Mr. Danforth: The price of food continues to rise while these people study and study and study. If people in this country have an opportunity at all, hon. members opposite will soon have a lot of time to study.

Mr. Speaker, I cannot accept this interim report, because I am convinced that it does not represent the best efforts that can be made by the committee. The committee had just started to work, to get an idea where it should hone in on the basic facts if it was to make a reasonable report, then it was faced with producing an interim report which, by the government's own action, had to be produced after only 60 days of study.

Mr. Gray: You wanted the whole committee to wind up in only three months.

Mr. Danforth: The reason for this, Mr. Speaker, was the absolutely impossible demand of this government for an interim report to solve the food problem in Canada, which just was not possible. That is why we have no faith in this committee. We knew, also, that this was panic action by the government to place the whole responsibility for controlling the increase in food prices on the committee. We could not even ask a question in this House during the past 60 days, Mr. Speaker, on what the government proposed to do about the increase in food prices, because the answer would have been that a standing committee of parliament was studying the matter and was instructed to bring in a report.

In conclusion, I cannot support this interim report and I will not support it. But I hope the government in its wisdom will allow the committee to hold further hearings and that we will have an opportunity to study the problem in a businesslike way, so we can produce a report that makes some sense and has some justification to the consumers of this country.

The Acting Speaker (Mr. Laniel): Order, please. It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, at the beginning of the committee hearings during the last part of May, in radio interviews I indicated at the outset the paradox of rising food prices. It was that probably everyone was to blame, and possibly no one. After almost two months of hearings, listening to many witnesses and reading letters and briefs, I have yet to change my view in that respect. Most assuredly, food prices are rising. We did not need a committee to tell us that. What we were endeavouring to find out was if there was, and to what extent there was, a villain of the piece.

I listened with interest to the hon. member for St. John's East (Mr. McGrath) and note that his party and members of his party on the committee accept five of the six recommendations of the first report. There is no such thing as a majority report. Mr. Speaker, when you consider that this was a 25-member committee composed of ten Conservatives, ten Liberals, three NDP members and two Créditistes, I think it is significant and commendable that the committee came up with a report containing six recommendations, five of which have won acceptance by all parties in this House.

The Conservatives indicate that they would impose a 90-day freeze. The committee as a whole could not accept that. In saying that, I speak as an individual member of the committee. It could not accept it because it would work to the detriment of innocent parties in the food chain. There are some who should not have their prices, wages, dividends or profits frozen. I submit that just automatically imposing a 90-day freeze on all prices would work to the detriment of innocent parties who are suffering from increased food prices. Therefore I could not accept that suggestion, Mr. Speaker.

Although I would welcome a food prices review board, the adjective to be used in connection with such a board is "independent". I think that is the kind of board the committee would wish to see established. Is it better not to review prices, to review profits, to look at packaging, to look at what retailers have been doing, to look at what farmers are earning, and then to come up with sugges-

tions? That, I am sure, is what the majority of the members of the committee would want to see, and not an automatic freeze that could hurt innocent parties.

I listened, also, to the hon. member for Kent-Essex (Mr. Danforth). He seems to have a convenient memory. It was not the government which suggested that this committee should meet for two or three months; that was the suggestion of the official opposition. They thought we ought to wind up our work in three months. It was the amendment of the New Democratic Party which said that the committee should meet as long as necessary but should bring in an interim report within 60 days or within a two-month period. We worked hard and came up with an interim report.

The criticism we heard from the hon. member for Kent-Essex is the kind of criticism that is often levelled at a hockey player. For instance, if Phil Esposito at the beginning of the season scores six or seven goals within a certain period, your hear the critics say that if he keeps up that rate of scoring he will score 106 goals during the season. His final score might only be 70 or 75 goals. That is the kind of criticism the hon. member for Kent-Essex levelled at the committee.

I am not suggesting that we came up with all the answers or, for that matter, that the members of any one party came up with all the answers. We worked within the terms of reference laid down by the House; we tried to do our work within the framework of those terms of reference. I think it is unfair to set impossible targets for committee meetings to be held during a two-month period and then expect us to come up with all the necessary suggestions or answers that the hon. member suggested we ought to come up with. We are living in an age in which we witness what is known as the revolution of rising expectations. I think the hon. member was raising expectations inasmuch as he expected too much from an all-party committee of this House. He expected that committee, after two months of hearings, to bring down all the answers and all the necessary recommendations.

The hon. member for St. John's East criticized the Minister of Agriculture (Mr. Whelan) and seemed to equate what that minister had to say with what the committee in the final analysis had to say. The Minister of Agriculture was quick to point out, on behalf of the primary producers in agriculture, that food prices in Canada represent a bargain, and that as a matter of fact food prices in Canada have been too low so far as the farmer is concerned. But, Mr. Speaker, we did not accept everything that came to us from the minister or from witnesses. In the committee report, on page 5—I sometimes wonder if members of the Conservative opposition have read the report—we find these words:

Impact of Food Price Increases

A significant number of Canadians have incomes so low that their positions were precarious at best even before the recent period of rapid food prices began. One major fact that has come out of the hearings is that the food price increases have turned some of these precarious situations into near-desperate ones.

We were endeavouring to make the point that perhaps for a large number of Canadians food prices are not too high, but that for an all too large and significant number of Canadians they are too high. It should surprise no one, therefore, that if this matter comes to a vote I intend to vote in support of the motion. It is my view that we of the committee have done a good job of work. We were a 25-member committee which met anywhere from four to six times per week; we also met in the steering committee. All this work imposed a heavy work load on all committee members who read the briefs and letters which came over our desks or were presented to us. The hearings themselves were only the tip of the iceberg. There were briefs and letters from all Canada. We interviewed, and were interviewed. We talked and we listened. We had the benefit of advice from our special advisers. I think anyone who attended the committee's hearings would agree that each party used its research staff to advantage. How we did read! Letters, reports, newspaper articles, pamphlets, items—in fact, practically every type of written communication came to each member.

• (2010)

We shopped, watched, noted and debated. We saw the signs hanging in the retail outlets. We wondered if they were having a significant impact on food prices. Being the kind of committee it was, we had political gamesmanships surfacing occasionally, sometimes to the detriment of the committee's goals but never destroying its over-all effectiveness. We gained credibility. Two provincial governments felt we were important enough to request permission to appear before us. Representatives of the governments of Alberta and Manitoba appeared before the committee. Many others asked to come before us. In recent days some have even demanded the right to do just that. We were a better committee toward the end. Frankly, I was sorry to see what was called a minority report, especially for the interim report, because I felt we were beginning to gel. I think we can do it again.

We had press reports that were good, and some that were bad. By that I mean there were good comments and bad comments about our work. In many cases there was criticism that was justified. However, some of the reporters who criticized could have done a little more in-depth study of the report. I was interviewed by a reporter who in fact had not read the report. He did not know what was going on in the House of Commons. He did not know that we were today debating a motion to concur in the report. A little more in-depth study of what we said in our report could have made him a better reporter.

We did not tie down many sections in the report because we felt it should have a broad-axe approach. We tried to cover many areas. It is very easy for members of the opposition and the press to say on occasion that the report is toothless, complicated and obscure. Those are the kind of words that are easy to print and understand. It is more appropriate to read some of the editorial comments by people who have obviously done a bit of study. They are not all favourable. I wish to quote from an article that appeared in the London *Free Press* of April 5, 1973. It reads as follows:

Food committee: a positive effect.

From the majority report of the Commons committee on food prices and, indeed, from the minority report of the Conservative opposition, it is evident that Canada is moving toward greater government surveillance of key areas of the economy, if not government control.

The way in which this surveillance is used will be the key factor in determining whether it inhibits and weakens the Canadian economy and living standards or whether it helps to produce efficiency, equity and economic vigour . . .

The general effect of the committee so far has been constructive, and its work will continue. It has brought groups together, illuminated problems and gathered proposals, and it may have laid the groundwork for a more effective effort by all groups in the food industry to stabilize and support the marketplace within a free economy.

At present that is the best way to fight the battle of inflation. Government price controls are cumbersome and costly in their application and they defeat the free market system while providing marginal gains for the consumer. They are a last resort, and the food economy of Canada is still a long way from such desperate measures.

One of the criticisms of the committee is that we studied food prices, and food prices only. There are four good reasons why we studied food prices. I am referring, of course, to the period before the terms of reference, because the terms of reference limited us to that particular aspect. We were limited to food prices because it is the area with which most Canadians are familiar. We could see the impact this was having. We could see that it covered the whole gamut of the economy. It dealt with capital costs, costs of operation, labour costs, transportation costs, advertising costs, packaging and retailing costs. We heard that when the consumer price index goes up, food is the item that pushes it up the highest. We heard evidence to the effect that when the food chains had their price war, this had the effect of levelling-off the consumer price index. Therefore, it seemed important to study this question.

We studied food costs because the average person goes to the store on one or two occasions a week and pays cash for the items he purchases. The shopper is aware of the fact that food prices are on the increase. I have heard the example of the increase in the price of shoes. It used to be possible to buy a good pair of dress shoes for $23. One chap wrote saying that in six or eight months the price had increased to $40. But there is no suggestion of a boycott in that particular area. There would be if we had to buy shoes on a more regular basis.

I think it is appropriate that we studied food prices. The setting up of a board, as suggested, could work as a pilot project for looking into all areas of the economy. It might be a good step forward in so far as setting prices that have a tendency to increase faster than they should because of excessive profits in particular areas.

This board has been called toothless. I hope it will not be. As I indicated, that is why we put in the word "independent." We wanted it to be independent of the Department of Consumer and Corporate Affairs and, in fact, independent of government. We wanted the reports to be made public. We wanted them to recommend action to the government.

It has been suggested that after a 90-day freeze, the Conservative party would suggest something along the same line, a food prices board, but that the board would have authority to take action. I think that is passing the buck. It is not up to a board appointed by parliament to take action. It is up to a board to recommend action to the government. The government should have the guts to say yes or no to any recommendation brought forward by the board. I do not think it is appropriate to simply slough off responsibility on a board.

The personnel of a board will have a lot to say and do as well as determining the effectiveness of the board. Can you imagine a board headed by Mr. Maxwell Henderson? I think a person of his calibre heading a food prices review board would be effective and would have more than the morals indicated by the hon. member for Vancouver-Kingsway (Mrs. MacInnis). The personnel of the board would have the opportunity to determine how effective it would in fact be.

If the board made a recommendation to the government and the government did not act on it, or ignored it, the board would have additional teeth. It would have the right to demand to appear before a standing committee of this House. Maybe some day there will be a standing committee on consumer affairs. That would be an appropriate committee to which this board could report if it were not getting the kind of co-operation from the government that it felt it should.

In our report we reached many conclusions and made six recommendations. One of our conclusions was that the primary producer was not responsible for this situation. I doubt very much if the committee will spend a great deal of time in the future dealing with the primary producer, be he farmer or fisherman. If there is a villain, we have to look elsewhere. Most assuredly it is not the fisherman. We heard evidence to the effect that notwithstanding the fact that the price the fisherman was getting ten years ago has increased, the price of fillets and other fish that come to the marketplace and to the retailer has increased substantially. The fisherman in this country is getting the royal Canadian shaft. Maybe we should be looking at that particular area. We could not find a villain, at least we have not yet.

Standardizing packaging and private labelling would assist in this area. We should stop talking about controls, because they are self-defeating; they have the effect of increasing prices. If we impose price controls, we can look to a black market situation. The lower income group is the hardest hit and these people must be to assisted in trying to cope with rising food prices.

Marketing boards were not condemned. We suggested they are needed for a stable market. They may tend to increase prices, but we submitted in our report that stability in the marketplace is worth it. It is difficult to evaluate what effect price wars have and whether there is, in fact, real competition when they occur. We heard from an independent grocer who saw the return on his investment fall from 15 per cent to nothing. All he took out of the enterprise were his wages for working a six-day week.

• (2020)

We were concerned about overcapacity—about the activities of those in the development field rather than in the food industry who decide to set up new shopping centres. They say to businesses which already have all the capacity they need: We intend to build a shopping centre here. If you wish to acquire space you may do so; otherwise we will bring in one of your business competitors.

As the hon. member for St. John's East has already indicated, we found there was overpromotion of breakfast

cereals and a few other food items. We were disappointed that representatives of the Chamber of Commerce did not appear before us. Spokesmen for individual Chambers of Commerce have since sent me letters and telegrams indicating their support for some of the views expressed by various businesses. I am sorry that officers of the Chamber of Commerce did not appear; I believe they could have made a significant contribution to the deliberations of the committee.

People who appear before a committee need have no fear. The only witnesses who need be afraid are those who are trying to hide something. Retail merchants appeared before us. One individual told us the amount of money he had invested, the wages he earned from his enterprise, the return he made on his investment, the number of his employees, the effect upon business of price wars and the effect of competition over which he had no control. I think there is a message in this report for each link in the food industry chain. Witnesses have a message to impart, and the committee provides an appropriate forum. If witnesses have something to hide, they certainly have something to fear.

Mr. Speaker, I see my time has expired. I simply conclude by saying that I enjoyed being chairman of this particular committee. I feel I received great co-operation from all members of the committee from all parties. And I do not mind a little political gamesmanship now and then.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, no one denies that the high price of food constitutes a major problem for all Canadians. Most members of the committee worked hard, as the hon. member for Sarnia-Lambton (Mr. Cullen) has said. They worked very hard to find out why food prices were rising so rapidly, with a view to producing an interim solution which would work and which would be acceptable to the Canadian people. The difficulty was that some members, for reasons known only to themselves, chose to close their minds to some of the real problems as illustrated by the evidence presented, mainly because they had formed preconceived solutions and they wanted to make sure that the problem was stated in such a way that it would fit the solution which they were already committed to proposing.

The New Democratic Party, by its own admission, has advocated a prices review board for many years. This was clearly stated by the hon. member for Vancouver-Kingsway (Mrs. MacInnis) in her address this afternoon. Indeed, in her party's minority report it was made very clear that this proposition had been part of the NDP platform for a great many years. All one has to do is go back to the Croll-Basford committee of 1966-67. What was the solution which the NDP was touting at that time? A prices review board. Mr. Speaker, that outdated solution dominated the discussions of this committee, at least as far as the majority of members was concerned. It was interesting to watch the reaction of the government members on this committee. For them, the issue was: Shall we join the NDP in voting for a prices review board or not? This was the crucial issue when it came down to the nitty-gritty of deciding on the kind of report which was to be presented.

In 1966, the government members on the Croll-Basford committee resisted such a proposition. Instead, they took an alternative route and recommended the setting up of a Department of Consumer and Corporate Affairs. History will judge whether that recommendation was wise or not. In 1973, on the other hand, the government members capitulated. After some fumbling around, after some strong reservations on the part of a few hon. members opposite, they capitulated. The coalition is complete as far as a food prices review board is concerned. So we are faced with a solution conceived as early as the sixties, completely irrelevant to the difficulties facing the country today. And efforts are being made to impose this outdated solution on the country in a manner which I suggest is inconsistent with much of the evidence which was presented to the committee.

In case supporters of the government should take some comfort from the rather vague wording of the first recommendation in the majority report of the committee, I would draw attention to the expectations so clearly articulated by the hon. member for Vancouver-Kingsway. It is no "Casper Milquetoast" lukewarm board which is proposed by that hon. member. Let us consider what she supports and what her expectations are. The hon. lady, who is in favour of this report, is expecting that this board would have the power to hold the line on price increases. Indeed, it would have the power to roll back prices. Moreover, the board would have power to determine support prices and subsidies to farmers—arbitrary power, I might add. It would also possess independent powers of investigation and analysis as well as the power to take corrective action or, at least, to require the minister to announce within 15 days the corrective action he proposes to take.

It is interesting to note that neither the Minister of Consumer and Corporate Affairs (Mr. Gray) nor the chairman of the committee saw fit to challenge or moderate the expectations of the New Democratic Party as expressed in the House this afternoon. The coalition is complete, no matter how cautious or vague the formal recommendation may be. Canadians now know what they can expect in the near future.

What is wrong with this recommendation? The position taken by my party is quite distinct from that taken by the NDP-Liberal coalition. We believe that the preconceived solution which has been put forward deals with only one side of the equation. It deals with prices. And in the food industry, which is labour-intensive, it is almost criminal to ignore wages in terms of a review mechanism. In my opinion, this is an absolute sell-out to the selfish aims of organized labour, the very power base of the New Democratic Party.

Some hon. Members: Oh, oh!

Mr. Atkey: It is a sell-out by the Liberal-NDP coalition. If I may make a prediction, this coalition will forever be tainted with the inability of this board to do justice to the expectations of the Canadian people. Those expectations are very high. I am afraid they will be sadly disappointed by this ineffective, toothless board if it is set up in the way the NDP proposes and which the Liberal government has implicitly accepted.

What is even more important is that this recommendation has singled out food for special treatment. As I said at the outset, food prices are a problem. All members of the committee agree with that. But this preconceived solu-

tion singles out food for special treatment and ignores many of the other consumer items that Canadians must have and pay for. I refer to rent, various non-food items, appliances—a whole range of consumer products that are necessary in the day to day lives of Canadians.

• (2030)

In case hon. friends to my left have not seen fit to review the evidence that was presented to the committee, let me review some of it for them. I think it is interesting to draw on some of the briefs and try to make use of some of the material presented to the committee during the hours of hearings that were held twice and three times a week in January, February and March. The Canadian Food Processors Association had this to say.

Mr. Benjamin: What do they know about it?

Mr. Atkey: They know more about food than the hon. member does. They said in their brief:

—it is our opinion that it is wrong to single out food prices as the prime cause of the inflationary trend in Canada. To set up a mechanism to control the price of food without establishing controls for wages, raw produce, packaging, supplies, and all other cost components, would lead to disaster for the food industry.

The inflationary trend is evident in all areas of the Canadian economy, and price controls over all commodities and services, including rents, dividends, interest, taxes, profits, and government expenditures, would be necessary to completely control inflation.

That is our position, Mr. Speaker. In case hon. members doubt the wisdom of that particular source, let me quote Dr. Sylvia Ostrey of Statistics Canada who is, perhaps, a more neutral source. At page 12 of her brief Dr. Ostrey says this:

—in the longer term the price increases faced by consumers for foodstuffs have been reasonably similar to those which relate to non-food elements in the family budget—

Hon. members may recall that Dr. Ostrey went back to the year 1961 and indicated that "since 1961 there has been a rise of 47.1 per cent for food and 41.7 per cent for non-food. Since 1967 the advances have been 25.8 per cent and 27.0 per cent respectively." I submit that this is ample evidence that concern for the cost of non-food items should be equally as great as that for food items, and this is where the committee in its majority report recommendation No. 1 missed the boat.

In case hon. members require further evidence, let me refer to the brief of the Grocery Products Manufacturers. At page 5 that organization referred to the increase in wage rates. They indicated that hourly wage rates were going up by 23 per cent more than the increase in the price of food, and something like 21 per cent more in terms of the increase in the price of non-food items. Wage rates—I am refering to take-home pay—increased substantially more than the cost of non-food and food items in the total cost structure of our economy.

The Progressive Conservative party has proposed that there be a temporary, 90-day freeze on prices and incomes in order that the federal government might have an opportunity to meet with the provinces, business, consumer groups and labour to work out, on a co-operative basis, without dictating the terms, a viable cost stabilization program. No one is going to dictate the exact terms of this program at the present time. The 90-day freeze would be

[Mr. Atkey.]

federal action which is required in emergency circumstances, a situation that hon. members know exists in view of the inflationary rates in our society today.

If hon. members to my left require further legitimate evidence of the necessity for a freeze, let me refer them to the brief submitted by the government of Manitoba, a New Democratic Party government, and in particular to the words of Premier Schreyer. He said this in the brief which was submitted to our food prices committee:

Obviously, controls would be an extreme step, and we recognize of course that they could only have a limited duration. Nevertheless, they would provide a temporary, partial solution to the problem of price increases while both federal and provincial governments formulated plans for dealing with this situation over the long term.

Those are the words of the Premier of the New Democratic Party government of Manitoba, which perhaps is a little more enlightened than the members to my left. With regard to the 90-day temporary freeze on wages and prices, let me make a final reference to the brief presented by the Canadian Manufacturers' Association, a neutral body, as hon. members opposite are well aware, which has been taking stands on matters of great economic import in this country.

The Canadian Manufacturers' Association told our committee that "in certain circumstances a system of wage-price controls may become a necessary short-run expedient, despite their very real shortcomings and dangers," which we acknowledge. "The circumstances would involve a rate of inflation in Canada", the association said, "which is clearly and persistently in excess of the rates in our major competitor nations, principally the United States, to the extent that a national emergency is demonstrable". The association went on to say that "the major purpose of controls in such circumstances would be to declare a national moratorium on inflationary expectations, and during their term to implement other measures needed to attack the causes of inflation".

With respect, I think that the position taken by the Canadian Manufacturers' Association is a reasonable one, one that shows some concern for the inflationary rate existing in society today. It shows that a degree of caution must always be exercised, and exhibits a certain wisdom regarding the present state of affairs in this country.

Should hon. members require further evidence as to the actual level of inflation in this country as compared with the country to the south of us, and as to whether or not we are appoaching an emergency situation, let me refer to comparative increases in the consumer price index. Let me take, for reasons which will become obvious, the year 1971 and particularly the month of August. The month of August, 1971, was when phase I of the economic stabilization program of President Nixon of the United States was instituted. Prior to the introduction of that program the annual increase in the consumer price index for all items in Canada was 3.4 per cent; in the United States it was 4.4 per cent, slightly higher. In February, 1973, a substantial period after the introduction of phase I, the annual increase in the comsumer price index in Canada was 5.8 per cent, whereas in the United States it was only 3.9 per cent.

Who are the hon. members that say the cost stabilization program of the United States is not working? Let me give them the figures relating to the increase in the cost of food. In August, 1971, the annual increase in the consumer price index for food in Canada was 3 per cent; in the United States it was 3.5 per cent. Then we had a government in the U. S. which acted deliberately and responsibly. In February, 1973, the annual increase in the price of food in Canada was 10.2 per cent; in the United States it was 7.6 per cent. Hon. members opposite and to my left suggest that the controls and the temporary 90-day freeze under the cost stabilization program in the United States have not worked. Rubbish!

The Progressive Conservative party has been challenged in this debate to provide the details of the cost stabilization program that would follow the 90-day freeze. As I have already indicated, I think it would be particularly dangerous for any government or party to specify at this time the details of such a program, when the very nature of a freeze is to allow consultation with provincial governments—which, after all, have a stake in the economy—with business, with consumer groups and with the unions.

If hon. members on the committee had done their homework, they would have realized that there were a number of possibilities for such a program. Some of the research documents prepared for the committee by our excellent staff discuss some of the alternatives, and all parties are free to read and discuss these as alternative approaches to a cost stabilization program. There is the normalized profit margin approach, which some members may be aware of. There is the General Motors approach, which might be attractive to others. There is the profit share approach, or there are voluntary guidelines with threatened sanctions.

There are a variety of programs, and I think it would be particularly inappropriate for a federal party, or indeed for the government, to specify openly what the long-term provisions of that cost stabilization program will be in advance of consultation. But what is necessary now is the initial dramatic and dynamic thrust of freezing prices and incomes to allow the conditions to develop for working out that program in a short space of time. That is our anti-inflation program, Mr. Speaker.

• (2040)

Some members opposite have suggested that the Conservative party is inconsistent in its approach to this committee by painting with too broad a brush. We have been in favour of the consideration of items other than food because we care about items other than food as well as food. Let me refer to the majority report of the committee to show how consistent we were and how inconsistent were some of the members of the committee who subscribe to all the recommendations in that majority report. We have in the majority report the second recommendation relating to the consumer protection provisions of the proposed competition bill. This recommendation applies to items other than food. It applies across the board to all consumer items. That is in the majority report, and it does not deal just with food. Then we have recommendation No. 4 which reads:

> That broadcasters, in particular, and all media in general, be encouraged to continue, and to increase consumer education programs and articles. Consumer information must be made available to all segments of the population and the committee invites the media to undertake more investigative reporting of consumer protection.

We agree with that, Mr. Speaker. However, it applies not only to food but to other non-food items, across the board. Obviously, the committee did not see its own inconsistency in proceeding in that fashion. Let us look at the final recommendation, No. 6:

> That the Department of Consumer and Corporate Affairs make specific moneys available to consumers groups to present briefs to various governmental boards, where appropriate.

Again, Mr. Speaker, the scope is much broader than food. Some hon. members opposite do not appreciate that the problem is much broader than just food. Yet that is really the underlying basis of at least three of the recommendations to which they subscribe. This is an important aspect of the report which heretofore has gone unnoticed and shows the real inconsistency in the majority approach. On one hand they want to single out food, but on the other hand they want to paint with a broad brush. Our approach, when we saw the problem in the way it was described by some very competent witnesses, was to bite the bullet and paint with a broad brush, because that is what the Canadian people expected from us.

Mr. Speaker, the Minister of Consumer and Corporate Affairs has apparently taken some comfort from recommendation No. 2 of the majority report of the committee which reads:

> That certain provisions of the proposed Competition Act dealing with consumer protection . . . be split off into a separate bill and enacted immediately, and not be tied in with the provisions relating to monopolies, mergers, etc., requiring reconciliation with broader policy directions relating to industrial strategy and foreign investment.

It really escapes me how the minister can take any comfort from that recommendation, when implicitly it amounts to a repudiation of the bulk of that infamous competition bill brought before this House a little more than a year ago. Essentially, what this recommendation does is take a minor portion of the bill, suggesting it is good, but hive it off from the rest of the bill which was so terrible. All of us did not want good provisions held back by the broader provisions of the competition bill which were disastrous and stand little chance of being enacted.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but his time has expired.

[*Translation*]

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, I am highly honoured, this evening, to speak as a member of the committee that studies food price trends, and also as a consumer who has seen prices rising steadily for the last ten years.

I should like especially to comment on the recommendations the committee made at the end of its report and I quote:

> 1. That the Government give consideration to the advisability of introducing the necessary legislation to establish an independent Food Prices Review Board . . .

What might these powers be? The board could examine food prices at the level of the producer, the wholesaler, the distributor and the retailer, processing, transportation, packaging and advertising costs, and also the relevant collective agreements.

The hon. member for Kent-Essex (Mr. Danforth) would have preferred to see a 90-day prices and wages freeze. What would this have achieved? We had controls like this during the war; the results were disastrous for the small wage-earners. Who do we want to protect today? The small wage-earners? During the war, a black market grew up alongside these controls and created a food scarcity when there was really no scarcity at all. And what happened? The low income families were the worst hit.

Moreover, the measure suggested by the hon. member for Kent-Essex seems impracticable to me, particularly because we are importing a very large amount of food products. At this time of the year, for example, almost all green vegetables and fresh fruits are imported from the United States. The hon. member for Kent-Essex does not tell us how prices controls would apply to imported food. To take an example: last week, Mexican tomatoes sold for 29 cents a pound because of an overproduction and an exceptional crop. I have never seen that for all the years I have been shopping. Therefore, how could we control the prices of tomatoes imported at such a low price?

We admit, however, that price controls on meats would eliminate in the short run an upward trend, but we think that in the long run, the food industry and the consumer would suffer adverse effects. Stock-breeders, at grips with rising supply costs and fixed prices of their products would be compelled to maintain the necessary levels of production and would find themselves in a rather precarious situation.

I suggest, Mr. Speaker, that we would rather provide stock-breeders with an incentive in order to encourage them to produce more and palliate a certain scarcity of this product.

[*English*]

I should now like to speak about the boycott, of which we heard a great deal last week. The trouble with the boycott idea is that it is based upon an imperfect understanding of the economics of the situation. Boycott organizers have grasped correctly that the law of supply and demand provides that lower demand can also lower prices under certain conditions. They have failed to realize that this holds true only if the demand is reduced while the level of supply holds constant, and that it is the producer and not the consumer who controls the level of supply. The producer can control that supply by withholding livestock from the market until the boycott ends, or by simply exporting to the United States or to other countries where the demand remains high.

Worse still, an artificial and dramatic disruption of demand can actually backfire against boycott organizers and lead to higher meat prices a few years from now. If the producers become uncertain about the stability of the Canadian market, they can make production decisions the impact of which will be felt two or three years from now.

[*Translation*]

Now, Mr. Speaker, I would like to refer to the second recommendation:

> 2. That certain provisions of the proposed Competition Act dealing with consumer protection (e.g. misleading advertising, bait and switch selling) be split off into a separate bill . . .

I fully agree with that provision. For my part, I wish some provisions of the legislation would ban once and for all misleading advertising, coupons, stamps, everything included in the packaging and which is not the product itself.

The third recommendation deals with the nutrient content of food. This recommendation is only worthwhile when included in the fourth recommendation. Of what use would it be if the consumer did not pay any attention to it? As you know, I am a consumer but I realize that as such I am a little responsible for the growing increase in food prices. In order to please the consumer, we are now offering on the market blanched potatoes, diced potatoes, french fried potatoes, frozen potatoes, plain potatoes—

An hon. Member: Dried potatoes!

Mrs. Morin: —dried, yes. Furthermore, all kinds of products under various forms from miniature to giant sizes are offered, but the consumer does not seem to realize that all these conveniences are paid for at a high price when she buys these foodstuffs.

A massive educational program aimed at the consumer is required but this will prove useful only if the consumer is willing to participate.

• (2050)

[*English*]

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, after sitting for some 60 days, or two months, in the committee studying food prices it gives me some satisfaction to see that a report did come out of the committee, because we listened to a great many people with a variety of opinions and we made recommendations to this parliament. I make a point of saying we made recommendations to this parliament, not necessarily to this government. It is my hope, as a member of this parliament, that the government will bring before the House legislation and proposals that will enable the House to take, or to refuse to take, action as a result of those 60 days of hearings.

The terms of reference came from the government, it is true, but the recommendations came from the committee. Members of one or two parties in the House may say that they disagree completely with the recommendations of the committee. That, of course, is their privilege; indeed, it is their right. But I and my colleagues think the recommendations that came out of the committee are worthy of the consideration of the House and indeed are worthy of the consideration of Canadians.

There may be some here who may say, as do those to my right, that that is not enough; that there should be a 90-day freeze and that we should reach out and put a clamp on everyone, now. There may be others, such as those across the aisle, who may say that we should have done nothing; that somehow by manipulation of money we could avoid doing anything or taking any responsibili-

ty as a parliament. They hold before us the threat of a bureaucratic nightmare and try to scare Canadians into adopting a pose of rigidity and of refusing to do anything at all. These are the two opposites, the two poles, if you will. In my view, the committee chose a course in between and chose to recommend to the House certain actions which the committee thought, or at least the majority of its members thought, could meet some of the needs and, hopefully, most of the needs of the situation.

So far as I am concerned, in the 1972 election and since that time consumers have said to me, "Do something about prices." They said it in the 1972 election and I have since received letters saying the same thing. When I refer to consumers, I do not mean only housewives; I mean the wage earner who is buying a house, the farmer who is buying fertilizer and fuel for his tractor and other machines. People right across this broad spectrum of our society have been saying this, and I think that we should take notice of their complaints. When the consumer was saying this to us, the farmer was saying, "I want a guaranteed price, a fair price for the products which I produce."

I do not know if a great many people in the House understand the kind of experience the farmer has had in the last two and a half years in this country. When members to my right say that we should have a 90-day freeze, do they intend to freeze the price of hogs at 54 cents, or are they going to freeze the price at 46 cents? Are they going to freeze flax at $5.89, or when it goes down to $4.16? Are they going to freeze rapeseed when it hits $4.50, or are they going to freeze it when it goes down to $3.40?

An hon. Member: You know the answer to that.

Mr. Gleave: I do not, because those hon. members have never given me the answer. And when they had the opportunity to put those grains under the Canadian Wheat Board and provide the farmers with some stability, they refused to do so. Mr. Speaker, I do not intend to be kidded in the House, and I was not kidded in the committee by some of the statements made there.

I support without any reservation the proposal for the establishment of a prices review board. We are not in 1943, we are in 1973, and a lot of things have changed since 1943. I do not know about the rest of the members of that committee, but as we sat and listened it became very plain, to me at least, that so far as food distribution at the retail end is concerned, in 1973 we are faced with what is essentially a monopoly position. It became plain to me that the same is true of the processing industry which has a virtual monopoly. We cannot deal with this problem by saying that these situations do not exist.

I recall the time when Federated Co-operatives were before us. I checked through the proceedings of that meeting this afternoon. I asked them about a situation concerning the number of retail outlets in part of the city of Saskatoon. Now, in the same area, up goes another retail outlet—a large one—erected by a Calgary developer. I asked this group whether the additional space was needed in that part of the city, and they said no. I asked them, who was going to pay for it, and their answer is recorded in the minutes of proceedings of the committee. They said the consumer was going to pay for it. They also said there was another little city in Saskatchewan, down in the southwestern corner, where the same developer was constructing another outlet. The co-operative will be forced to move into that development and pay rent there because, if it does not, somebody else will move in and they will be faced with additional competition. Again, Mr. Speaker, the consumer is going to pay.

• (2100)

This evidence was put before us at the committee hearings. It was put before a commission in Saskatchewan several years ago. What are we going to do about it? I suggest that the committee is frank when it advocates a prices review board which can undertake a continuing job of investigating what is happening in the food industry as a total system. I do not think you can single out one particular sector at one particular time and say that this or that is the truth unless real investigation has been undertaken and you know what is happening.

The first job a prices review board can do is to find out what is happening. Our party has said plainly that after that happens, we expect such a board to have the power to make recommendations, and we expect the responsible minister to act on those recommendations within a limited period of time. We are not talking about a weak-kneed, ineffective board, such as is alleged we are talking about. That is not our concept.

In the committee we received evidence on excess advertising. It was plain that advertising was being undertaken that really did not relate to the real needs of the consumer. Just the other day when I was coming through Winnipeg I bought the Winnipeg *Tribune*. It carried an article explaining why TV ads aimed at children worked so well. It was by a Mr. Choate, and was taken from a Los Angeles paper. In part it read:

> For the past year the Council on Children, Media and Merchandising . . . has had financial support from foundations in studying the impact of TV commercials on children. As a result of our study, I have concluded that the techniques of creating ads with a predictable effect on youngsters are the closely guarded secret of a cadre of motivational researchers, employed by American business . . .
>
> Under controlled circumstances, and with the utmost security, the personnel of motivational research firms across the country monitor the reactions of children to given commercials and products. In this way, children are being used in laboratory situations to formulate, analyse, polish and compare ads designed to turn other children into salesmen in their own homes.

This is 1973, Mr. Speaker, and children are being programmed to buy products in a way that is acceptable to those who are merchandising and packaging the products. I repeat that this is 1973, not 1940. We should look at this question as a part of the total picture. We should also look at the needs of the farmer. One hon. member, I think it was one of the very attractive members of the committee—I am sorry that I do not recall the riding—said we could very well face the risk of a drop in the production of meat because of the pressures being put on the farmer by those who are promoting boycotts. Mr. Speaker, there is no group in our society that has asked less of society than the food producers. All they have asked of society is some security and a reasonable standard of living. They have not asked for excess profits or excess privileges. They have not taken time on radio or television to gull people into the kind of programs they think will be of advantage

to them. They have asked for minimum prices that would protect them against slumps, in some cases foreseen and in others not unforeseen.

Just two years ago hog producers were losing money on every hog they produced on their farms. I saw the audited statement of a hog producer in my constituency. He was producing 2,000 hogs a year and was losing $6 on every hog. All that producers such as that require of society is that they be given a reasonably steady return on their products; then they will produce all the food we need. I would say to that same hon. member that if we make the production of food unattractive enough, and if we introduce enough risks for the farmer, we may succeed in getting to the point in Canada where we will not produce enough food for ourselves. That will be an achievement for a country like Canada! But if we keep on like this, and hang on 90-day freezes and capers like that, we may well achieve it.

I suggest that if we are practical and if we investigate the real cause and take reasonable steps, we can produce all the food we need, we can distribute it to the people who need it and we can avoid some of the malnutrition that there is in this country. Evidence of malnutrition was brought before the committee. People came before the committee and told us in plain, simple language that malnutrition—in other words, starvation—exists in Canada. Yet we pride ourselves on being one of the richest countries in the world, with a very high standard of living. We can avoid malnutrition if we take reasonable and logical steps that will adequately serve and protect Canadians.

• (2110)

If we need some advertising and can bear the cost, we should do it logically and not do it on a profit exploitation basis. Let us do it on the basis where it will serve Canadians, where it will tell children the foods that will build healthy bodies instead of trying to persuade their mothers to buy something that is not needed. We used to go into school when there was no television and put pictures on the walls which told children that oranges and eggs and bacon made them healthy. Now that we have one of the best advertising medium in the world, what is it used for? To sell cornflakes! As responsible people in this House, let us say to these image markers, "Don't tell us how to starve to death. Tell us how to live". That would make more sense.

If this committee did nothing else, at least it gave its members an opportunity to understand some of the factors at work in the food industry. From time to time members said, with some frustration which I also felt, that we were getting a snow job, and at that stage I suppose we were getting the public relations treatment from the industry by the people experienced in doing a selling job. But there were those of us who wanted to look—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him by the order made today has expired.

Mr. Stan Schumacher (Palliser): Mr. Speaker, as one who participated on a part-time basis in the Special Committee on Price Trends in Food, it gives me pleasure to

[Mr. Gleave.]

participate in the discussion on the motion for concurrence in the report of the committee.

The problem the committee has been asked to deal with relates to the basic problem of inflation. We have a government which, for reasons best known to itself, over the past two or three years has been very active with the printing press in increasing the money supply of this country. I would find this rather amusing if it were not so sad for those people who are unable to defend themselves against the ever increasing rise in all prices, not just food. No member in that great collection of intellects on the government side can say why we are having a problem with prices today. It should be elementary that if you are irresponsible and make the printing presses work overtime, you will have inflation and consequent increases in the price of food and everything else.

It is interesting to note that over the past two years the money supply in this country has increased at a rate that is not less than 10 per cent. I think the average of the two years would be 15 to 17 per cent. This is completely unacceptable. We have also had a situation where the federal government—the most obvious government; the one at the top of the heap; the one that everyone looks to as an example—has failed to live within its income. We have had a period of sustained high taxation and sustained high government return but, nevertheless, a continuing succession of deficits. I think is beyond dispute that government deficits result in inflation and increased prices. I do not know what the mystery is. We have an irresponsible administration which has been playing with the fiscal and monetary policies of the national government and, as a result, we have a national problem.

Members of the New Democratic Party and of the Liberal party scoff at the suggestion that the federal government should undertake a freeze in order to change the direction that the economy has been following for the past five, six, seven, eight or ten years. I suppose that dates back to the famous Pearson formula for settling the Seaway dispute which set off this most recent siege of inflation. In any event, I am not sure what was illogical or wrong with the suggestion that the federal government take hold of the problem and tell the people that they are going to take a new approach to the situation and will protect the population of this country—especially those who are unable to protect themselves by way of collective bargaining or otherwise—and enable them to maintain their purchasing power. No one is suggesting that a 90-day freeze is a total solution to the problem. I think that anybody on the government side, as well as their auxiliaries to my left, would realize that the policies pursued to date are wrong and there must be a change of direction.

I suggest that the basic change required is an example by the federal government, to be followed by other levels of government and business in the country, to start living within their means. In that way we would give some real impetus for growth in the economy and provide more benefits for everybody. The coalition that we have now has passed along the old idea of the New Democratic Party for a prices review board. It is very interesting to note that the motion we are asked to concur in does not recommend any real powers to be given to the review board, but the hon. member for Vancouver-Kingsway

(Mrs. MacInnis) suggests that the board should have the power to roll back prices and enforce what it considers to be the general good of the consumer as well as the producer.

I cannot understand why that hon. lady would wish to be associated with a prices review board that does not live up to her expectations of what it can do. She and her party are advocating a much more severe solution to the problem than has been advocated by this party, which has said that as a beginning there should be a 90-day freeze while governments at the provincial and federal level work out a meaningful program within the general free market approach to this situation.

There is no escaping the fact that this is an economic problem. Someone has said that you can make an economist out of practically anybody or anything. Just the other day I heard that the best way to make an economist out of a parrot is to teach him the words "supply and demand". Surely the real problem with respect to food in Canada today has to do with supply. This, in turn, relates to our being part of the world economy—and the world is desperately short of food. It is discouraging to note that in the last year or two we have become net importers of agricultural products. At one time we prided ourselves on being the breadbasket of the world and, without difficulty, producing enough for ourselves. Now we are net importers of food. When you are a net importer of food, you are at the mercy of world markets. I think you will agree with me, Mr. Speaker, that our approach to solving this problem should be one involving increased supply.

• (2120)

One does not hear the New Democratic Party or the Liberal party advocating measures that would increase the supply of food. Actually, one can remember that classic example of the Minister of Justice (Mr. Lang) introducing the infamous program, Lower Inventories for Tomorrow—otherwise known as Lift—on the Prairies, whereby the taxpayer of Canada was actually paying grain producers not to grow grain. This happened withing the past three years. Now we see that the latest contract for the sale of wheat to Russia, announced earlier this week, will take every bushel, every grain of wheat out of our possession. I therefore wonder what would happen in this country if we were to be unlucky with the weather. This has not been unknown in the past. Probably we would end up buying back some of the grain we sold at higher prices, if we were unfortunate. If the weather co-operates, there is no question that the Canadian farmer can produce the required amount of grain to meet our current commitments and also enable us to make other sales.

Primarily, we require at this time courageous policies on the part of government which must be effective in the war against hunger in the world. No one can deny that there is a world food shortage. If we can gear our production in such a way that we produce surpluses, if possible in most commodities that we are capable of producing, we shall take the pressure off the demand for food in this country and thereby reduce prices. As a happy consequence, of course, we shall be able to earn much needed foreign exchange and generally expand prosperity in the country by transmitting the benefits gained by foreign trade to manufacturers and other sectors of the Canadian economy.

The government is entranced by the NDP-inspired idea that supply management should apply in the agricultural sector of our economy. Much time was taken in the previous parliament in debating that silly piece of legislation, Bill C-176, the result of which was a restriction in the supply of food in this country. It is time to remind hon. members again of this fact: if we are to bring prices down, we must increase supply.

The NDP philosophy is that there must be ever bigger units of production. They will not do the job. I believe that we can do the job most efficiently if we encourage small producers to produce. The cumulative effect of their production will provide the necessary quantity of products for us, at the best price. In my view, we do not want a continuation of greater and greater restrictions regarding grading and inspection of our products. We are only too familiar with the disappearance of small abattoirs and meat processing facilities which have been scattered about the country and replaced by larger slaughterhouses and meat-packing plants operated by an ever decreasing number of people. That situation may be very good for the NDP and their friends in organized labour, since it makes it so much easier for them to organize the people who are dealing with these products and who want to demand ever increasing wages.

As my hon. friend from St. Paul's (Mr. Atkey) pointed out, nobody who has taken part in this debate so far has been prepared to say that the food processing and distribution industries, which are labour-intensive, have contributed to increasing prices. Of course, the world situation has a great deal to do with the problem. However, when you see the lonely meat-cutter in the supermarket earning in excess of $5 per hour in many parts of the country, you begin to realize why the price of meat is increasing. I suggest that if we are to keep some sort of lid on that part of our economy, we should encourage the establishment of more, and smaller meat processing and other processing facilities which deal with food in this country.

Certainly we do not want to increase the activities of marketing boards, the sole ambition of which is to restrict supply in order to drive up prices. We want policies that will enable producers to be efficient and produce the greatest amount possible in order to maximize income. They should not maximize their income by reducing production, since in the end nobody will benefit and food supplies will be lower. We have seen in the past how such policies have resulted in the tremendous cost-price squeeze from which the farmer has suffered. Prices, until relatively recently, remained dormant. At the same time, the price the farmer has had to pay for everything he uses has gone up fantastically. That he should still be in business, I submit, is a tremendous testimonial to the staying power and efficiency of the average farmer.

I suggest that we shall maximize production and solve our problems if this government is prepared to go into world markets and sell our products, instead of merely being an order-taker. We presently are commanding relatively good prices for our cereal grains, largely as a result of the crop failures in eastern Europe and China. For a long time I have advocated the setting up of overseas

storage facilities so that we can be truly competitive in the cereal grain market. Let us face it; the time will come again when we shall have a surplus of agricultural products merely because the agricultural segment of our economy is truly efficient and productive and will produce no matter what governments do.

Farmers do their best to produce, because in so doing they feel they are accomplishing something worth while. I admire them for that. Let us see some decent salesmanship by the government. Let us see greater efforts to enter into long-term contracts with new or emerging trading blocs, in particular the European Economic Community which will supplant our traditional market in the United Kingdom. I was interested in hearing the minister of industry, trade and commerce of the last parliament, and the present minister, announce what is happening, what the government are doing and that ambassadors have been appointed.

• (2130)

We do not seem to be coming to grips with the real problem of getting business tied up on a long-term basis so that our producers will have the knowledge that there is something to work toward. In order to get into that position the government should, as a matter of principle, embark upon a policy of paying for storage of grain on farms so that we can at least be in a position to deliver these additional sales when they come. This would also level-out the peaks and valleys of our production in that area.

We should establish a guaranteed floor price. It should not be established at a price that is more than ten years old and has been depreciated in the meantime by inflated dollars. If there is a demand for the product, let us produce it. We should become efficient.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but the time allotted to him by the House order made earlier has expired.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, as one who served on the trends in food prices committee, I can certainly agree with the hon. member for Saskatoon-Biggar (Mr. Gleave) who said that to serve on that committee was a fantastic learning experience. It undoubtedly was.

We all know that the impact of the high cost of eating has become a predominant concern of the consumer. The topic of food prices has once again been the subject of an inquiry by the federal parliament. It is right and proper that the consumer and government alike should be disturbed. However, I suggest, as did some hon. members opposite and as did the brief presented to the committee by the Manitoba government, that in comparison little attention has been devoted to prices of goods and services other than foods, such as housing, transportation, health and personal care.

Mr. Woolliams: I couldn't agree with you more.

Mr. Penner: This is rather extraordinary, in view of the fact that a very large majority of consumers during the past few decades have been spending a declining share of their income on food, in contrast to income shares devoted to housing, transportation, health care, recreation and entertainment.

If we are disturbed about food costs, we should be even more troubled by the prices of houses. There are, of course, many reasons why food is costing more. It was rather difficult for the committee throughout all its deliberations to single out one culprit or even to find that one section of the food industry is responsible for taking undue advantage of us. When you come to housing costs, however, and I will use this as a brief example and not expand upon it, it is quite easy to pinpoint the problem. There is a shortage of serviced land. This has pushed up the value of real estate in many Canadian communities and has opened the door wide for land speculators. I read in the *Financial Times* this week that the cost of serviced lots in the city of Toronto is now somewhere between $18,000 and $20,000. Without talking more about that problem, which is one that ought to concern our provincial governments a great deal more than it obviously has, I would like to go on to deal only with food costs.

The brief from the Manitoba government spoke of an apparently unwarranted preoccupation with food prices. Part of the reason for this is that shopping for food is done by cash on a daily or weekly basis. Other necessary expenditures which consumers have to meet, such as mortgage payments or rent, seem to be extracted from them in a way that is somewhat less painful.

In any consideration of food prices, meet always seems to be at the centre of the stage. It seems that consumers in North America have too great an appetite for meat to be satisfied with macaroni and cheese. The committee report refers to the increased demand for beef and pork products. I quote the report as follows:

> Canadians like meat and are willing to pay for it.

In 1961, according to calculations of the Meat Packers Council of Canada, consumers in this country used 70.5 pounds of beef per capita. Consumption of beef then rose throughout the decade until it reached 87.3 pounds per person in 1971. Statistics for 1972 are not yet complete, but it is estimated the per capita beef comsumption will be almost 90 pounds, and the trend is rising for 1973. Consumption of pork and poultry on a per capita basis has also risen rapidly.

The increasing proportion of meat in Canadian family diets, which represents an upgrading of the food consumption pattern in this country, has been made possible by rising real incomes. the rising demand for beef has seen our farmers make very determined efforts to increase supplies in economic response to a profitable level of livestock prices. Farmers have been encouraged by higher prices to produce more and better quality food. For the farmer, these improved prices are necessary to meet his rising costs of production.

The chairman of our committee already referred to the fact, and all members of the committee were certainly convinced, that the primary producer, the farmer, the man who produces the food in this country, cannot be held responsible for the high costs we have to pay. What happens if these efforts on behalf of the farmer to increase supply are slowed down or stopped? What happens if more and more farmers quit producing food? One leader in the food industry put it this way: "With the

demand for food rising rapidly in this affluent country, lack of incentives to farmers will mean shortages and even higher prices". I feel strongly that this point needs to be stressed. If there are not incentives for the farmers, it will mean shortages of the food the consumers in this country want, and that in turn will mean still higher prices. This spokesman went on to say that unfortunately the consumer cannot have it both ways. Rising income levels and low food prices are just not compatible.

Let us accept whatever validity there may be in that statement, and I think there is considerable validity in it. At the same time, however, I am quite prepared to accept the fact that there is need for a food prices review board in Canada. To do what? The Conservative party has talked about a 90-day freeze. They say they will have a food prices review board instituted after the 90-day period. They have not yet told us what that prices review board will do.

We can tell you what our board will do. it will make absolutely certain that no one in the very involved and complicated food industry, from the farm gate to the retailer, will take undue advantage of the consumer. They will not take undue advantage by charging food items prices that cannot be justified. Many increases can be justified. We have to be concerned about finding the person along that food chain who is slipping in an increase that cannot be justified. The government of Alberta, which presented one of the finest briefs to the committee, recommended a continuing vigilance on the factors that contribute to food costs in all sectors of the food chain. Continuing vigilance surely implies a food prices review board of one kind or another. The official opposition has seen fit to downgrade such a function, but the government of Alberta saw considerable merit in it. It was not alone. The Consumers Association of Canada, an organization for which I have the greatest respect, said that the consumers of this country need, and indeed demand, a watchdog agency to ascertain that food prices are as fair and reasonable as possible, all relevant factors being considered.

• (2140)

The association in its brief noted with interest the suggestion that a prices review board be established to investigate rapid increases in the prices of any food product, to determine the cause of the increases and to inform the public of its findings. The association said such a board would offer an opportunity for a more effective scrutiny and increased understanding of the food industry. Returning for a moment to the brief from the government of Alberta, and still talking about the need to investigate the food chain, this is what the submission said:

> Such a watchdog agency should seek out new developments having a potential for improving the effectiveness of food production, processing and merchandising.

So the Alberta government envisaged an added role for such a board. Indeed, it went one step further. The board, ought, it said—

> —to initiate educational activities to keep consumers informed of new developments and informed about the food system thus encouraging them to obtain maximum nutritional benefit from the food dollar.

The committee examined very carefully the wisdom of imposing wage and price controls as an effective weapon against inflation, particularly against rising food prices. The official opposition, as we well know, has proposed such a freeze for 90 days, but hon. members opposite have made it clear that they will exempt raw, unprocessed food, which I take it includes meat, dairy products, eggs, fresh fruits and fresh vegetables. These, incidentally, account for about 55 per cent of the food budget. The Alberta government noted it would be very concerned about the effect of price controls on the food industry. The brief stated:

> Although we recognize that price controls on food would arrest the trend of steadily increasing food costs in the short run, we feel that detrimental effects would result for the food industry and for the consumer in the long run. The food industry, which is faced with increasing supply costs and fixed production prices, would be hard pressed to maintain necessary levels of output. Shrinking margins would place many producers, processors and handlers in a precarious economic position with the result that output would tend to be reduced as profit incentives were eroded. A situation such as this would be contrary to the best interests of both consumers and producers.

Are there any examples that we can consider? The action of the President of the United States in placing a ceiling on the price of meat suggests he believes that farmers are mainly at fault for the food spiral. By putting a ceiling on the retail price, the United States administration is counting on pressure rolling back through the retailer to the middle man and, eventually, to the farmer. I believe this shows the folly of the position of the opposition in saying they would control prices only beyond the farm gate.

Mr. Woolliams: We never said that at all.

Mr. Penner: Oh, yes. It has been said that prices are to be controlled beyond the farm gate, but if the producer cannot sell his product he is stuck with it. So if prices are rolled back to the level of the producer, he is the one who will eventually take it on the chin. This is the point which has to be emphasized. Ultimately, it is the farmer who will suffer. If the hon. member for Calgary North (Mr. Woolliams) would look at the news reports, he would see that United States' farmers feel betrayed by the U.S. Secretary of Agriculture. They betrayed because in their view he did not serve their interests well by objecting to the imposition of the ceiling on meat prices in the United States. Previously, he had stated repeatedly, when speaking to farmers and to other groups in the country, that this was not the way in which to solve the problem.

What did he suggest as an alternative? He suggested the alternative outlined by the hon. member for Palliser (Mr. Schumacher), who said the answer was to increase supply, stimulate production and increase beef imports. I am talking now about imports into the United States. The President of the United States now faces the frightening possibility of a farmers' strike. If production falls, the resulting shortage will raise another spectre—the spectre of a black market in meat. It may be that meat prices in the United States have already reached their peak. If that is the case, the ceiling is meaningless. But if the price has not peaked, the ceiling will likely create a shortage of meat, and that will make conditions right for a black market. In addition, it means that when the controls are

removed there will be fantastic pressures to push prices upward, beyond the point they had reached when the ceiling was imposed.

The Minister of Consumer and Corporate Affairs (Mr. Gray) has told the House he will make a positive response to each and every recommendation in our report.

Mr. Frank: When?

Mr. Penner: Did you listen to his speech? He told us when. He said he would do so on an urgent basis and would provide us with detailed plans and policies early in May.

Some hon. Members: Hear, hear!

Mr. Penner: I think members of the committee would expect no less. Finally, I would say it is very important to the 25 members who served on the trends in food prices committee that we test the House with respect to the report we have submitted. The committee was a servant of the House of Commons and it deserves to know the judgment of parliament on the work it has done. I therefore urge all members not to talk out this motion, but to allow it to go to a vote a ten o'clock in order that those who worked long and hard and in a very dedicated way on the committee may know whether or not they have served the House of Commons well.

Some hon. Members: Hear, hear!

• (2150)

[*Translation*]

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I would like to deal tonight with several aspects of the problem that faces us.

First of all, there is the problem of rising prices. Why are prices increasing in such an alarming way from one month to another? What are the effects of this rise on the middle class, and then on the disadvantaged category which is reaching increasingly larger proportions in Canada? What are the influence and importance of the big trusts with respect to the problem of inflation at home and even abroad, considering the sprouting of an ever larger number of multinational corporations? What evidence has been given in the food prices committee to point out where the actual problems were? How is the collusion of traditional governments being expressed? What is the solution offered by our traditional governments? What is, finally, the alternative advocated by our party, in those circumstances?

Mr. Speaker, prices are going up at an alarming rate in all fields. Here we are considering the problem of food prices in particular. We must not forget that food prices are not completely independent of prices in other sectors of the country's economy. Indeed, other sectors are experiencing the same problem, whether we are talking about clothing, automobiles, building, housing or transportation. We have reached the stage, especially for small wage-earners, where inflation has reached the limit. Formerly, people would spend less money on food, so as to make ends meet, but in view of the price increases in all the areas I have just mentioned, that has become impossible. In many cases, people want more than food handouts to the poor, which the hon. minister suggested recently.

What are the causes of inflation? One of them is obviously the excessive profits made by some companies, and their way of exploiting people's senses, if you look, for example, at the way they present products. In some cases, the packaging costs more than the product itself. That means that the merchants, the producers, are less interested in satisfying the people than in making a profit. For those who exploit human poverty, all that counts is making a profit, getting steadily richer while others are getting poorer.

The committee heard evidence from dozens of people, representatives of the manufacturers' association, producers, farmers, packers, advertisers or any other associations, to the effect that it was not their fault if there was inflation and rising prices, but the fault of other people who could not be named. In the end, Mr. Speaker, where is the problem? It seems to me that if the committee does not get to the deeper causes of the present unrest, it is missing the point and merely acting as a safety valve in society.

Canadians are beginning to be hungry; the Roman principle is applied: They are given games or still a minor committee is established to reduce them to silence or let them hope that the problem will be settled while knowing quite well that this will only contribute to satisfy them temporarily and the problem will persist because it is in the interests of those who benefit from it.

The solution of conventional governments is price control or price freeze. Prices are controlled but a black market is created. As noted recently, a meat boycott is under way. Suddenly, the people became tired of the boycott and they began to buy. This is exactly what will happen when price control or freeze will come to an end.

In my opinion, we should apply a solution which would be much more favourable to the people than to those who strive to control it and get rich at their expense. That is the solution our party recommends. A discount on purchases should be granted, not to the producer, but to the consumer. Mr. Speaker, no incentives should be offered for production when products are in sufficient supply, but potential buyers of the products should have incentives and thus the wheels of economy will be able to turn. This system should be carried out in association with dealers, with producers willing to have this type of market.

I suggest, Mr. Speaker, that this solution be considered; it is one which would suit, not the minority, but a majority of the population as a whole.

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, there has been a steady rise in food costs which has been accompanied by a steady migration from the land of rural Canada. This must be taken into account when we consider food costs and what has happened in the last few years. Farm units have become larger, with many farmers producing much more specialized grains, along with beef cattle and so on.

May I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

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

FINANCE—MEETING OF FEDERAL AND PROVINCIAL FINANCE MINISTERS—INQUIRY AS TO PROPOSALS RESPECTING ESTATE AND CAPITAL GAINS TAXES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, on January 15, less than two weeks after parliament met for this session, I asked the Minister of Finance (Mr. Turner) whether he would make specific proposals regarding estate and capital gains taxes to provincial representatives. I had hoped that he would show some leadership in this regard, but in the succeeding weeks the minister has gone only part way in assuming a leadership stance. In fact, I submit that he has tried to substitute salesmanship for leadership, and this is becoming more and more evident.

The federal attitude toward estate tax has been very equivocal. After the former minister of finance announced with fanfare that the federal government was in fact out of the estate tax field since capital gains taxes were in, this administration said to the provinces, in effect: You collect and we will help you. Two provinces, Alberta and Prince Edward Island, have in fact decided that this is a regressive tax and one which should not be collected. Is the federal government doing anything to assert leadership with regard to the position of other provinces? Of course it is not. Nor is this government going far enough to bring equity into those instances where farmlands are being hit with capital gains tax.

• (2200)

The capital gains tax on farmlands favours corporations. It destroys, or at least seriously erodes and impedes—as the hon. member for Crowfoot (Mr. Horner) pointed out not too long ago—the natural desire of farmers to pass on the results of a lifetime of toil to their families. It takes a long step, I suggest, toward further eroding the position of rural areas of Canada. Death should not be a prerequisite to passing on farmlands without taxes.

Ever since the former minister of health made his famous remarks last year concerning the further taxation of the middle-class, the government has suddenly realized the extent of the antipathy this approach aroused among much abused, middle-class Canadians. The government is now exhibiting a new-found interest in doing something for small businessmen and middle-class Canadians. In fact, this government is adopting so many of this party's policies suggested by our leader that I should not be at all surprised if a directive has not already been issued that the cabinet must wear Stanfield underwear in future.

I ask this government and the Minister of Finance to give the provinces a clear understanding that it would be in Canada's best interests if they all got out of the estate tax field, since this tax as it now stands hits not just rich people but most middle-class Canadians who are already paying capital gains tax. I ask them, also, to remove capital gains tax or to further substantially modify it in regard to farmlands passing from one family member to another, or one generation to another, and to show some leadership and give some sense of direction to Canada's financial affairs.

I make the suggestion to the minister that he must further modify the capital gains tax. He should realize that this tax must be refined. For example, with regard to Canadians who over the years, either through systematic saving or a stock option given by his employer—as is often done in the case of public utilities which permit employees to buy stock over the years at a favoured price under certain conditions—have held stock, they should not pay capital gains in the same way as a speculator. Perhaps in some instances no capital gains tax should be paid. There is a great deal of difference between buying 1,000 shares of General Motors and selling it in a comparatively short period of time and making a profit, if you are doing it for speculation, and borrowing money to buy shares in a Canadian company, holding those shares for a number of years, perhaps five, to assist in your retirement or in the education of your family.

By failing to distinguish between the Canadian who buys stock in a Canadian company and holds it for a specified time, and a speculator who is a trader or an opportunist, this government is doing this nation a disservice. A selected capital gains tax exemption up to a certain amount, perhaps $25,000 or $50,000, in Canadian securities held for a specified time, say five years, would encourage Canadians to invest more in Canadian companies.

There are, of course, many modifications needed to this suggestion, but I would urge the minister to consider it and use a little more imagination in giving some leadership to this nation's financial institutions. Perhaps soon on motions he could also tell us what effect he feels high interest rates are having on our slow-growth regions; and perhaps he will also give us his views on regional financial policy. He might also indicate whether he has found a method of complementing our regional development policy.

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, we know that the federal-provincial conference mentioned by the hon. member for Central Nova (Mr. MacKay) in his question took place on January 18 and 19; it would appear that the questions mentioned by the hon. member were not raised by the provincial governments. However, as the Ministers of Finance meet fairly regularly, it is no doubt quite possible that the matter of estate taxes might be raised again at a coming meeting.

I might point out that the question as expressed does present a certain anomaly since, as we know, the federal estate tax was abolished at the time of the tax reform, precisely because it was considered that its role was now fulfilled by the new income tax on capital gains. The matter involved then is that of the interaction between personal income tax and provincial estate tax.

Here again, the problem does not apply to some provinces which decided to abandon the area of succession duties, that is to say Alberta and Prince Edward Island.

However, New Brunswick and the province of the hon. member, Nova Scotia, announced their intention to retire from this area whereas Quebec has recently reduced its tax rate in a gesture that leads way to a possible withdrawal.

As to the implementation of the personal income tax on capital gains coming from the sale of land, the Minister of Finance (Mr. Turner) recommended in his budget speech of February 19 that we should allow farmers in the future to leave their land to their children, at the time of death, without paying taxes.

Moreover, Mr. Speaker, we know that the Minister of Finance tabled yesterday motions of ways and means which make it possible to extend these provisions to transfers inter vivos, that is to say, when the farmer is alive.

As for help to small businesses, we know that the government is reviewing all this matter and that it is committed to report on this to Parliament as soon as possible.

[*English*]

GRAIN—SUGGESTED INCREASE IN SUBSIDIZED PRICE OF WHEAT FOR DOMESTIC CONSUMPTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, on January 18 I put a question to the minister in charge of the Wheat Board (Mr. Lang) which I wish to pursue tonight. It reads as follows, as recorded in *Hansard*:

> Mr. Speaker, I have a supplementary question relating to the two-price system. In view of the fact the international wheat price is at least 50 cents above the domestic price paid by the millers of $1.95½ a bushel, can the minister inform the House whether the subsidized price of $3 a bushel will be increased by at least 50 cents in comparison with what was paid last year?

The minister replied:

> The $3 price ensures, of course, that the farmer in the prairie region obtains that price for the wheat consumed in Canada, and that price is still well above the international price.

I want to point out to the parliamentary secretary that the statement made by the minister in charge of the Wheat Board is totally misleading in terms of the two-price system. Let me give a number of reasons in the short time available to me. First, the domestic price paid by millers in this country to handle Canadian wheat is $1.95½ a bushel, basis Thunder Bay. The subsidized price is $3 a bushel. The difference is subsidized by the federal government.

What the minister failed to point out was that the difference between $1.95½ and $3 is not paid directly to the wheat producer but is paid on an acreage basis on all six grains. Therefore, when the international price for wheat rises for the first time in a long time above the fixed price of $1.95½ a bushel, when it goes up to $2.68 a bushel, the western producer of wheat loses at least 50 cents or more per bushel on domestically consumed wheat. That means in one crop year a minimum loss to wheat producers of $30 million. This is the kind of information which I would like to point out for the information of the minister in charge of the Wheat Board.

Further to that, since I asked that question the minister has sent out a questionnaire to all producers in western Canada. It was sent out to all permit book holders, not just to wheat producers. As pointed out by the Saskatchewan, Manitoba and Alberta wheat pools, the questionnaire was heavily loaded in terms of getting the farmers to answer on an acreage basis. I would like to point out to the minister that the questionnaire was worded in such a way that the only answer a farmer could give, if he was trying to be fair, was on the basis of acreage payment. I point out that an area such as Assiniboia constituency, which is 90 per cent wheat producing, replied as being 28 per cent in the affirmative when I asked the following question:

• (2210)

> This spring should see another payment under the two-price system for wheat. What would you prefer—the present system of $3 per bushel for the top grade sold on the domestic market and distributed on an acreage basis on all six grains?

But when I asked, would they prefer a guaranteed price of $3 a bushel, for example, on the first 2,000 bushels sold, 71 per cent of the producers replying said that they would like it on this basis. This is something I want to point out to the minister in terms of the discrepancy in the questionnaire he sent out to producers in western Canada. Furthermore, I take issue with him in sending the questionnaire to all permit book holders, because when it comes to the question of rye, rapeseed and flax, are the producers of southern Saskatchewan going to have the opportunity of saying that those three grains should come under the Wheat Board when they are just producing wheat? After all, when it came to the question of the two-price wheat system, all the grain producers were allowed to answer as to whether or not payments should be made on an acreage basis. This is something that should be pointed out to the minister.

There is one final point I wish to make. I would hope that in the future any questionnaire sent out relating to two-price systems, or to the question of whether certain grains should be under the jurisdiction of the Wheat Board, should give the farmers enough choices so they could make a fair reply, rather than what happened in this particular case. The answer to the problem of a realistic two-price system for wheat producers is to ensure that there is a guaranteed minimum price for all six grains. When you have a domestic price for wheat related to costs, you can assure the domestic producer of wheat, as well as the other producers, of a minimum price.

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the minister responsible for the Canadian Wheat Board (Mr. Lang) wishes to point out that there always has been a significant argument in favour of paying the two-price wheat money supplied by the federal treasury to all wheat producers on the basis of their potential rather than on the basis of their actual production. Every grain farmer is a potential wheat producer. This is borne out by the fact that every shipping bloc in western Canada delivers wheat through the Canadian Wheat Board system. If the payment was made on the basis of wheat only, every producer would likely produce enough wheat to qualify for the payment. This is particularly and significantly true if you think in terms of a payment on a limited number of bushels of wheat. The advantages in favour of helping the smaller farmer, in

favour of making a payment even when there is no crop, and in favour of diversification instead of encouraging wheat, all point in the same direction.

The results of a questionnaire on the payments, sent to 171,625 holders of Canadian Wheat Board permit books, was quite conclusive. To date, 36.6 per cent of the producers have returned completed questionnaires. Some 87.1 per cent favoured payments on an acreage basis; 1.3 per cent favoured part of the payment on acreage and part on a bushel basis; 10.3 per cent favoured all of the money being paid on a bushel basis through the Canadian Wheat Board wheat pools, and 1.3 per cent returned the questionnaire with no choice indicated. This certainly indicates how western grain producers preferred to receive the payments from two-price wheat funds.

In conclusion, it should be made clear that the government took its responsibility for deciding that the money available for payment should continue to come from the treasury, even though a significant proportion of it now is clearly a consumer subsidy, holding the price of bread down instead of letting it reflect world prices for wheat. On the other hand, the $3 price for wheat is still higher than the world price and therefore producers as a group have no complaint, as they strongly indicated in their replies to the questionnaire.

It is difficult to follow the argument of the hon. member that wheat producers lost $30 million on the basis of what millers are paying, and the international price. Last year we paid over $57 million to grain producers in western Canada, on an acreage basis. At least 80 per cent of all grain producers in western Canada produce wheat; therefore, on this basis wheat producers received $45.6 million out of the $57 million paid out.

GRAIN—WHEAT—DISPARITY BETWEEN COST OF HOPPER CARS PURCHASED BY GOVERNMENT AND THOSE BOUGHT BY UNITED STATES RAILWAY

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to take a few minutes to stress my concern about a question I asked some time ago and in a letter I wrote to the minister responsible for the Wheat Board (Mr. Lang) last August. At that time I questioned the minister about the purchase of hopper cars for the movement of Canadian grain. I criticized the minister because I felt that the amount of money paid by the government for the hopper cars was abnormally high. The minister replied in writing and said there was fair bidding, etc., on the contract. I am not criticizing the purchase of the hopper cars, because I think it is a generally accepted fact, at least in western Canada, that this was a step in the right direction. But I am criticizing the terms of the purchase. I believe this is not only important to westerners but to all Canadians.

The thing that spurred my question was that the Burlington Northern Railway in the United States had also purchased hopper cars for the movement of grain. They bought 1,000 jumbo hopper cars for $18 million. From my information, they were 100-ton cars with a capacity of 3,300 bushels each and will be in service by this summer. These cars are virtually of the same size and capacity as those purchased by the Canadian government. I believe the difference is that the federal government has overpaid the companies who built the cars by some $12 million. This is the discrepancy between the Canadian and the United States figures.

My purpose tonight is to ask the minister responsible for the Wheat Board if he will outline what the excess covered. I have some questions that should be answered in connection with the sale of these hopper cars. First, has there been a final agreement between the government and the railways as to the exclusive use of the cars? Second, what arrangement has been reached for the maintenance and repair of the cars? Who is going to pay for that—the federal government or the railways? Third, what is the rate structure for reimbursement by the railways for use of the cars?

Since half of the lines in western Canada will not be able to carry these cars because of their size, I think the Canadian people, especially western grain farmers, should know how the grain is going to get to the main line so that the hopper cars can be used. Are the railways going to buy the cars from the government, or is the government to continue ownership? The minister has defended his action by saying the difference is made up in part by federal sales tax and transportation to western Canada. The grain trade sources that I have been in touch with say that any companies doing business with the federal government are exempt from federal sales tax. That would be taking money from one pocket and putting it in another.

These are some of my concerns, Mr. Speaker. To my way of thinking, $12 million is a considerable discrepancy. When I asked the question in the House, the minister responsible for the Wheat Board said it looked as if there were some additional ball-bearings or some other small parts in the make-up of the cars, and this constituted some of the difference in price. I do not think that answer is good enough.

• (2210)

The minister responsible for the Canadian Wheat Board has always been very secretive and has not imparted information to the Canadian people. I hope that tonight we will hear some details about the contract and exactly why there is this differential in price with respect to cars to be used in Canada and those that are used in the United States, so that this matter may be cleared up and the Canadian taxpayer may know exactly where and how this money is being spent.

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the minister responsible for the Canadian Wheat Board (Mr. Lang) had indicated to the hon. member for Lisgar (Mr. Murta) that there is a good deal of room for difference in the engineering and make-up of the hopper cars involved.

The Burlington Northern, the United States railway involved, purchased 1,000 hopper cars at a cost of $18,000 per car. This $18,000 should be compared with the net price of the Canadian car of $20,100 after federal sales tax and consulting and inspecting services are substracted. However, the Canadian cars had a number of additional features not incorporated into the U.S. equipment. These added-cost Canadian features will result in long-term

operating benefits. There is less incentive to incorporate these features into the U.S. cars, as cars there spend a large part of their operating life on lines other than those of the owners.

The additional features in the Canadian equipment are these: First, the Canadian cars have two wear wheels; the U.S. cars have single wear wheels, and therefore the Canadian wheels have a much longer life. The additional cost involved in $200. Second, the Canadian cars have four internal hoppers and discharge gates; the U.S. cars have three. The Canadian cars have a lower centre of gravity. The additional cost here is $390. Third, the Canadian cars have internal epoxy resin paint to eliminate corrosion, whereas the U.S. car is untreated. And the Canadian car has extra external paint costs. Together these, but mainly the resin, add $930 to the cost. Lastly, Mr. Speaker, the Canadian cars have a WABCO PAC brake system; the U.S. cars have only standard equipment. The cost here is $830.

The extra features incorporated in the Canadian cars, totalling $2,350, are responsible for the differential in the net price between the two types of car. Federal sales tax of $2,500, and various services at $700, account for the total cost.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, April 11, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

FISHERIES RESEARCH BOARD

TABLING OF ANNUAL REPORT FOR 1972

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, in accordance with Standing Order 41(2) I wish to table in both official languages the annual report of the Fisheries Research Board of Canada for the calendar year 1972.

* * *

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Miss Flora MacDonald (Kingston and the Islands) moved that the second report of the Standing Committee on Indian Affairs and Northern Development, presented to the House on April 4, 1973, be concurred in.

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

Mr. Reid: Mr. Speaker, I believe a point of order could legitimately be raised as to the appropriateness of putting this motion at the present time. Yesterday when we were discussing the motion to concur in the report of the Special Committee on Trends in Food Prices the point was made that some of the recommendations exceeded the powers of the committee in that they involved the expenditure of money. If Your Honour were to examine closely the second report and the document contained in issue No. 8 of the proceedings of the Standing Committee on Indian Affairs and Northern Development at page 42—this is the document on aboriginal title which the motion proposes we concur in—and the legal consequences of Indian or aboriginal title and what this document considers to be those legal rights, I think Your Honour would find that the same point arises as was raised yesterday as to the appropriateness of a committee of the House of Commons making a recommendation to the House that would involve the expenditure of money. I would refer Your Honour to Beauchesne, citation 260(1), which reads as follows:

> The tendency has been in the Canadian House of Commons, for the past 25 years, to rule out all motions purporting to give the government a direct order to do a thing which cannot be done without the expenditure of money. Our Journals are full of precedents to this effect.

Numerous other precedents and citations from Beauchesne and May might be quoted, but I think the general principle is quite clear. I would make the argument that this motion to concur in the second report of the Standing Committee on Indian Affairs and Northern Development does involve a commitment for the government to expend money not only to enter into negotiations but to right alleged wrongs by the expenditure of money. I suggest that this would not only be against the Standing Orders of the House but also any authorities on the subject that Your Honour might care to consult. On that basis I think Your Honour might be asked to give a ruling on the appropriateness of this motion and on the appropriateness of a standing committee of the House of Commons making such recommendation to the House itself.

• (1410)

Mr. Baldwin: Mr. Speaker, we pursued this point yesterday. I made my comments then and will not repeat them. I understand that the parliamentary secretary in effect is repeating the caveat that the government House leader entered yesterday in reserving the right not to have this matter taken as a precedent if Your Honour should decide that the debate should continue. I will not repeat the argument. I simply say that the fact that Your Honour, after having been elected Speaker, goes to the other place to claim on behalf of this House the right of free speech, makes it incumbent upon Your Honour, in any case where there is a reasonable doubt and there is no inconsistency with specific rules, to resolve that doubt in favour of the opportunity for debate in the House, and any further attempt by the government to restrict the freest possible debate should not be countenanced.

Mr. Howard: Mr. Speaker, may I put to you, in addition to the remarks made by the hon. member for Peace River (Mr. Baldwin), that there should be no doubt whatever on the motion before us whether an expenditure is involved, and so I think there is no necessity to rule on the side of parliament as distinct from ruling on the claimed right of government with respect to expenditures. I say there is no doubt because of the very wording of the report that is before the House. Let me read the pertinent words to you, as found at page 241 of *Votes and Proceedings* for April 4, 1973:

> Your Committee accepts and endorses the concept of aboriginal title as set out in the paper entitled "Aboriginal Title" presented to the committee by Mr. George Manuel, President of the National Indian Brotherhood, on Thursday, March 29, 1973, and urges the Prime Minister, on behalf of the government of Canada, to publicly accept and endorse the said concept of aboriginal title—

There is no question of expenditure there. It is simply a declaration of recognition that is asked for. The report continues:

> —and to take steps immediately to enter into negotiations with the Indian people with respect to the said title.

That contemplates no expenditure whatever. It may well be that as a result of those negotiations expenditures will be forthcoming, but that will be as a result of the negotiations, not as a result of the motion and report now before the House. I think Your Honour has no choice.

Mr. Speaker: I thank hon. members again for the advice they have given to the Chair. This point has been raised twice within the last few days. In the course of giving my views about the motions that are before the House I had expressed the thought that my reservation dealt more precisely with the third report of the committee rather than with the second report. My understanding of the second report was, as the hon. member for Skeena has said, that the first part deals with principles, and if there were fault to be found with the wording of the report it would be found in the last part which reads as follows:

—and to take steps immediately to enter into negotiations with the Indian people with respect to the said title.

My hope would have been, and it is still my hope, that this could have been altered and perhaps have achieved the same result by substituting the following words; "and consider the advisability of entering into negotiations with the Indian people with respect to the said title."

There is not, perhaps, a substantial change there, but at least if those words were included in the report before the House we would have respected a longstanding practice of the House and I think would have saved ourselves a great deal of trouble. I wonder whether the House, by unanimous consent, would not be prepared to make this change now. If it did, there would be no difficulty in proceeding. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: By unanimous consent, therefore, the report will be changed in that way. This having been done, there is no difficulty at all from a procedural standpoint with the motion and it will be put to the House.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. I wonder if we could adopt the same practice as was followed yesterday and suspend the discussion on this motion until after routine proceedings and oral questions have been completed. In addition, in view of the very great interest that has been shown by many people in this subject and as we have to convenience the government in trying to expedite passage of the tax bill and have agreed to take today, a short day, for this debate, possibly there might be agreement to limit speeches to 20 minutes for the first speaker from each party and 15 minutes for each following speaker. It has been shown by experience that speeches are very much better if they are shorter.

Mr. MacEachen: Mr. Speaker, I agree with the desirability of suspending the debate until we have concluded routine proceedings and the oral question period. However, I would very much prefer to have the regime that was followed yesterday, namely, that the chief speakers from each group have 30 minutes rather than 20. With respect to subsequent speeches, I am quite prepared to agree to any reasonable arrangement.

[Mr. Howard.]

Mr. Baldwin: Mr. Speaker, possibly we could have the usual interesting meetings through the usual channels to see if we can work something out before the debate begins. Otherwise, we might have to agree to something we do not want.

Mr. Peters: Mr. Speaker, I consider this to be a very important motion, and because today is a short day I suggest we deal with it in its proper order.

Mr. Speaker: I gather we have agreed not to agree and there will be discussions through the usual channels. Is it the wish of the House that the motion be put at this time?

Some hon. Members: Agreed.

Mr. Speaker: My understanding is that this debate will be postponed until after the question period.

* * *

GOVERNMENT ADMINISTRATION

APPOINTMENT OF DEFEATED LIBERAL CANDIDATES TO POSITIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as we are still on the order of motions I should like to move a motion under the provisions of Standing Order 43. I do so for the purpose of clearing the air and removing certain uncertainties, particularly for friends of my friends opposite. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House request the government to table a list of all Liberal candidates defeated in the last election who have not yet been appointed to government positions, together with a list of the positions to which they will be appointed.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I gather there is not unanimity. I have already heard some nays.

* * *

FLOODS

HIGH WATER LEVELS IN GREAT LAKES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Don Blenkarn (Peel South): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion concerning a matter of urgent and pressing necessity, namely, the exceptionally high water levels in the Great Lakes and the consequential danger to property and human life constituting a national emergency. I therefore move, seconded by the hon. member for Halton-Wentworth (Mr. Kempling):

That this House do declare that the present high water levels on the Great Lakes with the consequential danger to property and human life constitutes a national emergency.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

• (1420)

NATIONAL PARKS

FREE ADMITTANCE FOR OLD AGE PENSIONERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask unanimous consent of the House to present a motion on a matter of national interest. I move, seconded by the hon. member for Perth-Wilmot (Mr. Jarvis):

That the government immediately take steps to entitle old age pensioners to enjoy, without payment of entry fee, the national parks throughout Canada.

Some hon. Members: Hear, hear!

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Some hon. Members: Who said no?

Mr. Speaker: I believe the hon. member for Kitchener has requested that we return to the first item, of routine proceedings, the tabling of reports.

* * *

NATIONAL RESOURCES AND PUBLIC WORKS

First report of Standing Committee on National Resources and Public Works—Mr. Hymmen.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

CANADA GRAINS COUNCIL

Question No. 59—**Mr. Gleave:**

1. (a) What has been the cost of the Canada Grains Council for 1971-72 (b) what is the estimated cost of the Canada Grains Council for 1972-73?

2. What is the breakdown of these costs for (a) salaries (b) research and studies (c) administration?

Hon. Otto E. Lang (Minister of Justice): 1. (a) $200,580; (b) $220,000.

2.		1971-72	1972-73
		$	$
	(a)	97,518	105,000
	(b)	81,882	92,500
	(c)	21,180	22,500

Council costs are covered by membership fees and a matching contribution (maximum $100,000 per annum) from the Federal Government. Membership fees in 1971-72 amounted to $119,419 and $116,410 in 1972-73. Salary costs are almost entirely devoted to research.

DEPARTMENT OF URBAN AFFAIRS PUBLICITY EXPENDITURES

Question No. 86—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Urban Affairs on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

2. What were the names and addresses of firms or individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. What contract for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. 1968-69, nil; 1969-70, nil; 1970-71, nil; 1971-72, nil.

*APPOINTMENT OF MEMBERS OF 28TH PARLIAMENT TO GOVERNMENT POSITIONS

Question No. 438—**Mr. Stackhouse:**

How many Members of the 28th Parliament have received appointments from the government since October 30, 1972 (a) what are their names (b) what appointment has each received and at what salary?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer to this question is exactly the same as the answer to question No. 36 which has just been tabled. I am therefore sending the hon. member a copy of that document.

EMPLOYMENT OF FEMALES IN THE PUBLIC SERVICE

Question No. 507—**Mr. Forrestall:**

How many females are employed under the Public Service Employment Act currently earning in excess of $25,999 per annum (a) what are their names (b) what are their positions?

Order Paper Questions

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. 25.

(a)	(b)
Department of External Affairs	
Miss B. Meagher	Ambassador to Stockholm
Miss H. D. Burwash	Associate Director—Scientific Relations and Environmental Problems
Miss M. McPherson	Director, UN Political and Institutional Affairs Division
Department of Justice	
Mrs. Eileen Mitchell Thomas, Q.C.	Counsel II
Miss Edyth MacDonald, Q.C.	Counsel II
Miss Norma Christie, Q.C.	Counsel II
Miss Elizabeth A. McFadyen	Director, Edmonton Regional Office
Department of National Health and Welfare	
Dr. Marie J. Ferrari	Medical Officer 1
Dr. Mary E. Habgood	Medical Officer 3
Dr. Dorothy L. Hall	Medical Officer 1
Dr. Harriet F. Lettau	Medical Officer 3
Dr. Martha C. Mally	Medical Officer 2
Dr. Madelaine Maykut	Medical Officer 2
Dr. Monique Savoie	Medical Officer 5
Dr. Caroline P. Scott	Medical Officer 3
Dr. Wilma G. Steward	Medical Officer 3
Privy Council Office	
Miss P. A. McDougall	Assistant Secretary to the Cabinet (Government Operations)
Statistics Canada	
Miss Jennie Podoluk	Director, Consumer Finance Research Staff
Department of Veterans Affairs	
Dr. A. A. Bratjakin	Medical Specialist (Medicine), Ste. Anne's Hospital, Ste. Anne de Bellevue
Dr. E. D. Gardner	Psychiatrist, Westminster Hospital, London, Ont.
Dr. J. A. K. MacDonell	Senior Treatment Medical Officer, Deer Lodge Hospital, Winnipeg
Dr. M. Oesterreicher	Specialist in Chest Medicine, Ste. Anne's Hospital, Ste. Anne de Bellevue
Dr. E. Pollonetsky	In charge of Prisoner of War Claims, Canada Pension Commission, Ottawa

OFFICE OF THE PRESIDENT OF THE TREASURY BOARD

Question No. 510—**Mr. Schellenberger:**

What were the names of all persons employed by, attached to or on loan to the Office of the President of the Treasury Board as of (a) June 30, 1972 (b) October 30, 1972 (c) January 8, 1973 and in each (i) what was the individual's function (ii) what was his salary?

Hon. C. M. Drury (President of the Treasury Board): (a) and (b) Beaulac, A. G., Executive Assistant, $12,500 to $15,000; Bédard, D., Support Staff—Part time, $2,610; Cornblat, E., Private Secretary, $10,000 to $12,500; Charlebois, J., Support Staff, $8,903 to $10,603; Dowdall, F. M., Support Staff, $10,942 to $12,024; Francœur, P., Support Staff, $7,105 to $7,810 + 7 per cent; Gravell, M. E. B., Support Staff, $6,388 to $7,021; Rochon, J. J., Special Assistant, $7,500 to $10,000; Rutledge, B. D., Support Staff, $5,225 to $5,741; Tourangeau, M. A. M., Support Staff, $7,105 to $7,810 + 7 per cent; Saumur, L. M., Support Staff, $7,105 to $7,810 + 7 per cent; Stikeman, J. A., Special Assistant, $10,000 to $12,500; Ward, R., Graduate Assistant, $125 per week; (c) Beaulac, A. G., Executive Assistant, $12,500 to $15,000; Bédard, D., Support Staff Part time, $2,610; Cornblat, E., Private Secretary, $10,000 to $12,500; Charlebois, J., Support Staff, $9,348 to $11,133; Dowdall, F. M., Support Staff, $11,489 to $12,625; Francœur, P. Support Staff, $7,460 to $8,200 + 7 per cent; Gravell, M. E. B., Support Staff, $6,707 to $7,373; Mehta, F., Support Staff, $8,569 to $9,415 + 7 per cent; Rochon, J. J., Special Assistant, $10,000 to $12,500; Rutledge, B. D., Support Staff, $5,486 to $6,028; Tourangeau, M. A. M., Support Staff, $7,460 to $8,200 + 7 per cent; Saumur, L. M., Support staff, $7,460 to $8,200 + 7 per cent; Stikeman, J. A., Special Assistant, $12,500, to $15,000.

EMPLOYMENT OF CLAUDE-ARMAND SHEPPARD

Question No. 562—**Mr. Wagner:**

1. Between June 30, 1968 and October 30, 1972, which departments or agencies retained the legal services of Claude-Armand Sheppard?

2. In the same period, what amounts were paid to the said lawyer by the government, or by any department, investigating commissions, or Crown corporation for (a) fees (b) disbursements (c) travelling expenses?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by all departments and agencies as follows: 1. None.

2. N/A.

BELL CANADA—FINANCING OF DEVELOPMENTS

Question No. 573—**Mr. Allard:**

1. To the knowledge of the government, what comparative percentage of amounts used by Bell Canada for the financing of its developments was (a) through loans (b) debentures?

2. How do the amounts obtained and used compare to the rate increases?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): 1. The required information is available in Bell Canada's annual report for 1972.

2. There is no direct relationship between amounts obtained and used and the rate increases.

[*English*]

RETENTION OF LAW FIRMS FROM OUTSIDE THE PUBLIC SERVICE

Question No. 659—**Mr. Lawrence:**

What departments, agencies or commissions of the government or the Crown in the Right of Canada, other than the Department of Justice or Central Mortgage and Housing Corporation, retain law firms or lawyers from outside the Public Service in Southern Ontario?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Auditor General, The Department of Consumer and Corporate Affairs; The Canadian Broadcasting Corporation; Farm Credit Corporation;

National Energy Board; Unemployment Insurance Commission.

MEMBERS OF VOLUNTARY BOARD, ADAPP

Question No. 829—**Mr. Mazankowski:**

1. Who are the members of the Voluntary Board, ADAPP, Edmonton, Alberta, who received a grant of $34,015 under the Innovative Services Grants Program, Non-medical Use of Drugs Directorate?

2. How were these members selected, what is their occupation and their current address?

3. On what basis was the decision made to locate their establishment in Lamont, Alberta?

4. On whose advise was this program instituted?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Chairman: Dr. Jos. Couture, Executive Director, Indian Education Centre, 117-10 Kingsway Avenue, Edmonton. 1st Vice-Chairman: Mr. Ernie Stokes, Programs Officer, Adult Probation, 105-26 Jasper Avenue, Edmonton. 2nd Vice-Chairman: Vacant. Treasurer: Mr. Allan Welsh, owner of Allan Welsh & Co., Chartered Accountants, 309 North Gate Building, 8th street at Jasper Avenue, Edmonton. Members: Mr. Peter Stein, Assistant Director of the Alberta Alcoholism and Drug Abuse Commission, Edmonton. Mr. Pierre Mousseau, Lawyer, 820 Centennial Building, 10015-103rd Avenue, Edmonton. Mr. Gerald Anderson, Farmer, R.R. 1, Lamont, Alberta. Mr. William Marianicz, High School Teacher, Box 354, Lamont, Alberta.

2. The members of the Board, with the exception of the last two, were invited to serve by ADAPP'S manager, Mr. Douglas Dunn, and incorporation of the organization took place October 11, 1972. Messrs. Anderson and Marianicz joined in January 73 as a result of the keen interest shown in the project by the community of Lamont.

3. The decision was entirely that of ADAPP, based upon the availability of a suitable farm to house the project.

4. ADAPP's program originated in a proposal submitted by Mr. Douglas Dunn to the Non-Medical Use of Drugs Directorate. The proposal was reviewed and assessed by the Western Regional Field Staff of the non-medical use of Drugs as well as by the Alberta Advisory and Assessment Committee. The Committee recommended the proposal for funding to the Department of National Health and Welfare on the basis of the recognized need for rehabilitation facilities for drug addicts in Alberta and of the innovativeness of the project's approach to dealing with a specific segment of the addict population.

NUMBER OF FEDERAL PUBLIC SERVANTS IN EACH PROVINCE

Question No. 860—**Mr. Korchinski:**

1. How many public servants are there in each province?

2. How many public servants are there in the Hull-Ottawa area?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. The number of federal public servants by province as at September 30, 1972 was as follows:

Province	No. of Employees		
	Departmental		
	Departments[1]	Corporations[2]	Total
Newfoundland	5,320	198	5,518
Prince Edward Island	1,423	12	1,435
Nova Scotia	15,909	781	16,690
New Brunswick	8,174	525	8,699
Quebec	43,537	2,811	46,348
Ontario	115,549	8,375	123,924
Manitoba	11,636	1,128	12,764
Saskatchewan	9,058	284	9,342
Alberta	16,837	283	17,120
British Columbia	27,016	1,440	28,456
Yukon Territory	951	—	951
Northwest Territories	2,058	—	2,058
	257,468	15,837	273,305

2. Data on a small area basis is compiled annually only. The latest available data on the number of public servants in the Ottawa-Hull area as at September 30, 1971 are as follows: Departments [1] 61,377; Departmental Corporations [2], 4,551; Total, 65,928.

[1] Departments as per Schedule A of the Financial Administration Act and Branches designated by that Act as Departments.

[2] As per Schedule B of the Financial Administration Act.

MANITOBA—PAROLE STAFF POSITIONS, 1971-72

Question No. 872—**Mr. Orlikow:**

1. How many parole staff (positions) were there in Manitoba for the year 1971/72?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in Manitoba (including staffing) for 1971/72?

4. How many cases did the parole staff have under their supervision in Manitoba for 1971/72?

5. How many cases did the John Howard Society of Manitoba have under its supervision in 1971/72?

6. What was the parole grant to the John Howard Society of Manitoba for 1971/72?

Hon. Warren Allmand (Solicitor General): 1. Thirteen.

2. $10,669.

3. Budgeting for National Parole Service offices is centralized and, therefore, figures on a provincial basis are not available.

4. 4,709.

5. 1,054.

6. $34,430.

NOTES: (1) Parts 4 and 5 Figures shown represent man-months of supervision, not individual cases. (2) Part 6 The National Parole Board does not make grants to aftercase agencies. The amount shown was paid on a fee-for-service basis, that is, $35 for each man-month of supervision provided by the agency and $45 for each community assessment carried out by the agency on behalf of the National Parole Board.

SASKATCHEWAN—PAROLE STAFF POSITIONS, 1971-72

Question No. 873—**Mr. Orlikow:**

1. How many parole staff (positions) were there in Saskatchewan for the year 1971/72?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in Saskatchewan (including staffing) for 1971/72?

4. How many cases did the parole staff have under their supervision in Saskatchewan for 1971/72?

5. How many cases did the John Howard Society of Saskatchewan have under its supervision in 1971/72?

6. What was the parole grant to the John Howard Society of Saskatchewan for 1971/72?

Hon. Warren Allmand (Solicitor General): 1. Ten.

2. $12,264.

3. Budgeting for National Parole Service offices in centralized and, therefore, figures on a provincial basis are not available.

4. 2,198.

5. 568.

6. $20,140.

NOTES: 1. Parts 4 and 5: Figures shown represent man-months of supervision, not invididual cases. 2. Part 6: The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee-for-service basis, that is, $35 for each man-month of supervision provided by the agency and $45 for each community assessment carried out by the agency on behalf of the National Parole Board.

ALBERTA—PAROLE STAFF POSITIONS, 1971-72

Question No. 874—**Mr. Orlikow:**

1. How many parole staff (positions) were there in Alberta for the year 1971/72?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in Alberta (including staffing) for 1971/72?

4. How many cases did the parole staff have under their supervision in Alberta for 1971/72?

5. How many cases did the John Howard Society of Alberta have under its supervision in 1971/72?

6. What was the parole grant to the John Howard Society of Alberta for 1971/72?

Hon. Warren Allmand (Solicitor General): 1. Sixteen.

2. $11,904.

[Mr. Allmand.]

3. Budgeting for National Parole Service offices is centralized and, therefore, figures on a provincial basis are not available.

4. 6,185.

5. 1,082.

6. $31,780.

NOTES: 1. Parts 4 and 5; Figures shown represent man-months of supervision, not individual cases. 2. Part 6: The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee-for-service basis, that is, $35 for each man-month of supervision provided by the agency and $45 for each community assessment carried out by the agency on behalf of the National Parole Board.

BRITISH COLUMBIA—PAROLE STAFF POSITIONS, 1971-72

Question No. 875—**Mr. Orlikow:**

1. How many parole staff (positions) were there in British Columbia for the year 1971/72?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in British Columbia (including staffing) for 1971/72?

4. How many cases did the parole staff have under their supervision in British Columbia for 1971/72?

5. How many cases did the John Howard Society of British Columbia have under its supervision in 1971/72?

6. What was the parole grant to the John Howard Society of British Columbia for 1971/72?

Hon. Warren Allmand (Solicitor General): 1. Twenty-nine.

2. $11,773.

3. Budgeting for National Parole Service offices is centralized and, therefore, figures on a provincial basis are not available.

4. 3,541.

5. 412.

6. $44,560.

NOTES: 1. Parts 4 and 5: Figures shown represent man-months of supervision, not individual cases. 2. Part 6: The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee-for-service basis, that is, $35 for each man-month of supervision provided by the agency and $45 for each community assessment carried out by the agency on behalf of the National Parole Board.

QUEBEC—PAROLE STAFF POSITIONS, 1971-72

Question No. 876—**Mr. Orlikow:**

1. How many parole staff (positions) were there in Quebec for the year 1971/72?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in Quebec (including staffing) for 1971/72?

4. How many cases did the parole staff have under their supervision in Quebec for 1971/72?

5. How many cases did the John Howard Society of Quebec have under its supervision in 1971/72?

6. What was the parole grant to the John Howard Society of Quebec for 1971/72?

Hon. Warren Allmand (Solicitor General): 1. Forty-seven.

2. $12,164.

3. Budgeting for National Parole Service offices is centralized and, therefore, figures on a provincial basis are not available.

4. 17,577.

5. 1,995.

6. $60,760.

NOTES: 1. Parts 4 and 5: Figures shown represent man-months of supervision, not individual cases. 2. Part 6: The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee-for-service basis, that is, $35 for each man-month of supervision provided by the agency and $45 for each community assessment carried out by the agency on behalf of the National Parole Board.

NOVA SCOTIA—PAROLE STAFF POSITIONS, 1971-72

Question No. 877—**Mr. Orlikow:**

1. How many parole staff (positions) were there in Nova Scotia for the year 1971/72?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in Nova Scotia (including staffing) for 1971/72?

4. How many cases did the parole staff have under their supervision in Nova Scotia for 1971/72?

5. How many cases did the John Howard Society of Nova Scotia have under its supervision in 1971/72?

6. What was the parole grant to the John Howard Society of Nova Scotia for 1971/72?

Hon. Warren Allmand (Solicitor General): 1. Nine.

2. $12,133.

3. Budgeting for National Parole Service offices is centralized and, therefore, figures on a provincial basis are not available.

4. 2,899.

5. 924.

6. $33,020.

NOTES: 1. Parts 4 and 5: Figures shown represent man-months of supervision, not individual cases. 2. Part 6: The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee-for-service basis, that is, $35 for each man-month of supervision provided by the agency and $45 for each community assessment carried out by the agency on behalf of the National Parole Board.

NEWFOUNDLAND—PAROLE STAFF POSITIONS, 1971-72

Question No. 878—**Mr. Orlikow:**

1. How many parole staff (positions) were there in Newfoundland for the year 1971/72?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in Newfoundland (including staffing) for 1971/72?

4. How many cases did the parole staff have under their supervision in Newfoundland for 1971/72?

5. How many cases did the John Howard Society of Newfoundland have under its supervision in 1971/72?

6. What was the parole grant to the John Howard Society of Newfounland for 1971/72?

Hon. Warren Allmand (Solicitor General): 1. Three.

2. $11,887.

3. Budgeting for National Parole Service offices is centralized and, therefore, figures on a provincial basis are not available.

4. 924.

5. 179.

6. $9,150.

NOTES (1) Parts 4 and 5: Figures shown represent man-months of supervision, not individual cases. (2) Part 6: The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee-for-service basis, that is, $35 for each man-month of supervision provided by the agency and $45 for each community assessment carried out by the agency on behalf of the National Parole Board.

ONTARIO—PAROLE STAFF POSITIONS, 1971-72

Question No. 879—**Mr. Orlikow:**

1. How many parole staff (positions) were there in Ontario for the year 1971/72?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in Ontario (including staffing) for 1971/72?

4. How many cases did the parole staff have under their supervision in Ontario for 1971/72?

5. How many cases did the John Howard Society of Ontario have under its supervision in 1971/72?

6. What was the parole grant to the John Howard Society of Ontario for 1971/72?

Hon. Warren Allmand (Solicitor General): 1. Fifty-nine.

2. $12,075.

3. Budgeting for National Parole Service offices is centralized and, therefore, figures on a provincial basis are not available.

4. 18,839.

5. 4,077.

6. $143,240.

NOTES: (1) Parts 4 and 5: Figures shown represent man-months of supervision, not individual cases. (2) Part 6:

The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on a fee-for service basis, that is, $35 for each man-month of supervision provided by the agency and $45 for each community assessment carried out by the agency on behalf of the National Parole Board.

NEW BRUNSWICK—PAROLE STAFF POSITIONS, 1971-72

Question No. 880—**Mr. Orlikow:**

1. How many parole staff (positions) were there in New Brunswick for the year 1971/72?

2. How much did it cost to maintain each position on the average?

3. How much was the total annual budget of the two National Parole Service Offices in New Brunswick (including staffing) for 1971/72?

4. How many cases did the parole staff have under their supervision in New Brunswick for 1971/72?

5. How many cases did the John Howard Society of New Brunswick have under its supervision in 1971/72?

6. What was the parole grant to the John Howard Society of New Brunswick for 1971/72?

Hon. Warren Allmand (Solicitor General): 1. Seven.

2. $10,964.

3. Budgeting for National Parole Service offices is centralized and, therefore, figures on a provincial basis are not available.

4. 2,558.

5. 335.

6. $17,860.

NOTES: (1) Parts 4 and 5: Figures shown represent man-months of supervision, not individual cases. (2) Part 6: The National Parole Board does not make grants to aftercare agencies. The amount shown was paid on fee-for-service basis, that is, $35 for each man-month of supervision provided by the agency and $45 for each community assessment carried out by the agency on behalf of the National Parole Board.

MUNICIPAL BUILDING, ST. GEORGES DE BEAUCE, QUEBEC

Question No. 897—**Mr. Stackhouse:**

What share of the cost of the municipal building in St. Georges de Beauce, Quebec, was paid from federal funds?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the Departments of Urban Affairs, Finance, Public Works, Regional Economic Expansion and Central Mortgage and Housing Corporation are concerned, the answer is no.

FUNDS SENT TO UNITED STATES BY ORGANIZED LABOUR AND UNITED STATES CONTROLLED CANADIAN COMPANIES

Question No. 965—**Mr. Alexander:**

To the knowledge of the government, how much money was sent to the United States last year (a) by organized labour in Canada (b) by Canadian companies controlled or owned by United States interests?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: (a) In 1969, the last year for which figures are available, the total dues and assessments paid to international union headquarters in the United States on behalf of Canadian members, as reported under Part II of the Corporations and Labour Unions Returns Act, amounted to $41,469,000 distributed as follows: Per capita, $26,240,000—63.3 per cent; Strike benefit assessments, $6,708,000—16.2 per cent; Health and welfare assessments, $4,286,000—10.3 per cent; Death benefit assessments, $2,200,000—5.3 per cent; Initiation fees, $1,006,000—2.4 per cent; Fines, work permits and other assessments, $1,029,000—2.5 per cent.

NOTE: These payments do not include interest earnings and dividends on investments by international unions as these are not reported under the Act.

(b) In 1972, it is estimated that Canadian companies controlled or owned by United States interests paid, net of withholding tax, about $1,460 million to United States residents for payment of interest, dividends, branch profits and business services.

HOSTING SERVICE OF YOUNG VOYAGEUR PROGRAM

Question No. 996—**Mr. Nielsen:**

Of the 40 university students who will be participating in the program of welcoming groups of Young Voyageurs to the National Capital Region this summer (a) in which provinces or territories are such students normally resident and, in each case, how many (b) what will be their period of employment (c) what will be their wages?

Hon. James Hugh Faulkner (Secretary of State): (a) The Ottawa Regional Office of the Public Service Commission is responsible for recruiting and hiring students for summer employment. Thirty-three students have been hired by that office for the Hosting Service of the Young Voyageur Program. Twenty-six of these students are from the province of Ontario and seven are from Quebec. (b) Five students will be employed from May 1st to August 31, 1973; the remaining twenty-eight will work from May 15 to August 31, 1973. (c) The salary scale for students employed in the Hosting Service of the Young Voyageur Program varies from $1.90 per hour to $5.15 per hour. Rates are paid in respect of the number of accredited years of schooling relevant to the student's present course. There is an additional rate of 11 cents per hour to 16 cents per hour for extra duty pay.

INFORMATION CANADA PERSONNEL

Question No. 1,083—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in Information Canada?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in Information Canada?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. John C. Munro (Minister of Labour): 1. Information Canada commenced operations April 1, 1970. Six months after this, on October 1, 1970, there were 411 full-time employees.

2. Salary Range	Number of Employees	4. Salary Range	Number of Employees
$		$	
15,000-16,000	1	18,000-18,999	2
16,000-17,000	10	19,000-19,999	6
17,000-18,000	3	20,000-20,999	10
19,000-20,000	5	21,000-21,999	3
20,000-21,000	1	22,000-22,999	4
23,000-24,000	3	25,000-25,999	2
25,000-26,000	1	26,000-26,999	3
28,000-35,000	1	27,000-27,999	1
		28,000-35,000	2

3. 521.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE PERSONNEL

Question No. 1,095—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of National Health and Welfare on (a) January 1, 1963 (b) January 1, 1973?

2. How many people in each of these years were receiving salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) over $20,000?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. (a) 5,427 (estimated); (b) 7,164.

2. Unable to provide salary figures from 1963 records available. January 31, 1973: (a) 5,257; (b) 1,399; (c) 508.

MANITOBA—GOVERNMENT'S MUSEUM POLICY

Question No. 1,177—**Mr. Dinsdale:**

1. What funds were made available for the government's policy for museums which was announced on March 28, 1972?

2. What applications for funds have been received from museum groups in Manitoba?

3. What projects have been approved to date?

4. What funds have been paid to those projects approved?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the National Museums of Canada as follows: 1. $8,100,000 in 1972-73

2 and 3. Requests for Assistance—Manitoba S. S. Keenora (Selkirk): *Eskimo Museum Manitoba Automobile Museum Foundation $10,000; *Manitoba Museum of Man & Nature Travelling Planetarium $145,800; *Winnipeg Art Gallery $147,900; Manitoba Historical Society (MacDonald House) *Pioneer Home Museum $6,500; Fort Gary Historical Society *Historical Museum Association (St. James—Assiniboia) $5,500; *Ukrainian Cultural & Educational Centre $23,000; *Manitoba Museum of Man & Nature—Associate Museum $30,000; *Ukrainian Free Academy of Sciences in Canada $8,500; *Leaf Rapids $127,780; University of Manitoba (Virgil School of Art), *Manitoba Agricultural Museum Inc. $87,630; *Transcona Museum $9,500; *St. Boniface Museum $25,500; *Hillcrest Museum $1,750; Jewish Historical Society of Western Canada, Rapid City, Historical Society of St. Claude, La Société Historique de St. Georges, Archibald Historical Society, Swan Valley Museum, Keystone Pioneer Museum, Fort La Reine Museum, Woodlands Pioneer Museum, Cook's Creek Museum, Snow Lake Fun Festival, Prairie Living Museum, Wellington Crescent House, C.P.R. Station House, Association of Manitoba Museums.

———

*Items approved.

4. $629,360.

POST OFFICE—THEFTS OF MAIL BAGS

Question No. 1,418—**Mr. Laprise:**

Were any thefts of mail bags reported in 1968, 1969, 1970, 1971 and 1972 on Air Canada service between Rouyn-Montreal and Montreal-Rouyn and, if so (a) how many (b) how many reimbursements were made (c) what was the average amount of such reimbursements (d) how many were not reimbursed?

Hon. André Ouellet (Postmaster General): (a) 1968, Nil; 1969, Nil; 1970, Nil; 1971, 1; 1972, 3.

(b) and (c)

	No. of Claims	Indemnity Paid	Average Amount
		$	$
1968	Nil	Nil	Nil
1969	Nil	Nil	Nil
1970	Nil	Nil	Nil
1971	11	450.00	40.90
1972	43	779.77	18.13
Totals	54	1,229.77	22.77

Generally speaking, information such as requested in (d) would not be available. We are, however, aware of one such case where the sender has not submitted a claim for loss.

DREE—INCENTIVE GRANT TO STEP LITE MANUFACTURING LTD.

Question No. 1,421—**Mr. Dick:**

Was an incentive grant in the amount of $216,000 to Step Lite Manufacturing Ltd., announced by the Minister of Regional Economic Expansion on October 25, 1971 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the

company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $216,725 was announced on October 25, 1971. (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on October 7, 1971 for a facility at Renfrew which is situated in the special area of Renfrew-Pembroke, Ontario. The agreement was amended on August 17, 1972 and the offer revised downwards to $192,604; and was reported in the August 1972 Parliamentary Report. (b) $72,294, August 30, 1972. (c) J. Jancar, President; B. Carswell, Secretary Treasurer; Helen Jancar (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information. (e) N/A. (f) 88. (g) Nil; (See (k)). (h) Nil; (see (k)). (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $166,045 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) Not in manufacturing production since January 1973. (l) May 13, 1971.

DREE—INCENTIVE GRANT TO LINDAL CEDAR HOMES LTD.

Question No. 1,422—**Mr. Dick:**

Was an incentive grant in the amount of $404,000 to Lindal Cedar Homes Ltd., announced by the Minister of Regional Economic Expansion on July 4, 1972 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $404,250 was announced on July 4, 1972. (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on June 26, 1972 for a facility at Renfrew which is situated in the special area of Renfrew-Pembroke, Ontario. (b) No payment made to date. (c) S. W. Lindal (Chairman), W. T. Flyg, B. G. Lawson, J. A. Lawson, R. M. McLennaghan, I. M. Lindal and D. F. Lindal. (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information. (e) N/A. (f) 86. (g) Not in commercial production. (h) N/A. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $975,000 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) Going concern. (l) March 27, 1972.

DREE—INCENTIVE GRANT TO QUEXOIL LTD.

Question No. 1,423—**Mr. Dick:**

Was an incentive grant in the amount of $51,000 to Quexoil Limited, announced by the Minister of Regional Economic Expansion on April 15, 1971 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $51,000 was announced on April 15, 1971. (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on January 26, 1971 for a facility at Cobden which is situated in the special area of Renfrew-Pembroke, Ontario. (b) $42,960, November 15, 1972. (c) W. E. Blake, R. D. Davenport, S. N. White, N. D. MacEachern, W. Thornber, P. V. B. Grieve. (d) Under the Business Corporation Act of Ontario, the names of the shareholders of a corporation are not public information. (e) N/A. (f) 31. (g) 10. (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $150,000 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) Going concern. (l) September 14, 1970.

DREE—INCENTIVE GRANT TO NORTRAC MANUFACTURING LIMITED

Question No. 1,424—**Mr. Dick:**

Was an incentive grant in the amount of $75,000 to Nortrac Manufacturing Limited, announced by the Minister of Regional Economic Expansion on November 10, 1971 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the

project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $75,700 was announced on November 10, 1971. (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on October 6, 1971 for a facility at Arnprior which is situated in the special area of Renfrew-Pembroke, Ontario. (b) Initial payment of $58,189 was forwarded in April 1972. (c) F. Fassbender, J. Smeaton, W. Holmes. (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information. (e) N/A. (f) 32. (g) 15. (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $117,000 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) Going concern. (l) January 11, 1971.

DREE—INCENTIVE GRANT TO SHUFFLEBOARD INTERNATIONAL SYNDICATE

Question No. 1,425—**Mr. Dick:**

Was an incentive grant in the amount of $72,000 to Shuffleboard International Syndicate, announced by the Minister of Regional Economic Expansion on October 31, 1970 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $72,540 was announced on October 31, 1970. (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on October 21, 1970 for a facility at Pembroke which is situated in the special area of Renfrew-Pembroke, Ontario. The offer was withdrawn on March 9, 1971. (b) No payment was made. (c) Mr. Charles Street, Mr. Wally Wagner, Pyramid Holdings Limited, Saskatoon, Saskatchewan. (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a Corporation are not public information. (e) N/A. (f) 30. (g) Nil. (h) Nil. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $104,500 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) Facility was never established. (l) August 8, 1970.

DREE—INCENTIVE GRANT TO SHUFFLEBOARD INTERNATIONAL LTD.

Question No. 1,426—**Mr. Dick:**

Was an incentive grant in the amount of $77,000 to Shuffleboard International Ltd., announced by the Minister of Regional Economic Expansion on July 15, 1971 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $77,238 was announced on July 15, 1971. (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on June 23, 1971 for a facility at Renfrew which is situated in the special area of Renfrew-Pembroke, Ontario. (b) No payment has been made. (c) Mr. Charles Street, Saskatoon, Saskatchewan; Pyramid Holdings Ltd., Saskatoon, Saskatchewan; Nominee—Mr. Ron Seiger, Mr. Wally Wagner, Saskatoon, Saskatchewan; (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information. (e) N/A. (f) 32. (g) Nil. (h) Nil. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $132,383 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) In receivership. (l) April 22, 1971.

DREE—INCENTIVE GRANT TO R. E. HODGINS INDUSTRIES LTD.

Question No. 1,427—**Mr. Dick:**

Was an incentive grant in the amount of $79,000 to R. E. Hodgins Industries Ltd., announced by the Minister of Regional Economic Expansion on November 2, 1970 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1,

1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $79,200 was announced on November 2, 1970. (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on October 1, 1970 for a facility at Renfrew which is situated in the special area of Renfrew-Pembroke, Ontario. (b) $66,624, paid on April 18, 1972. (c) Mr. Robert Hodgins; Mrs. R. E. Hodgins; Mrs. Lois Hodgins; (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information. (e) N/A. (f) 13. (g) 15. (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $160,000 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) A going concern. (l) April 13, 1970.

DREE—INCENTIVE GRANT TO HANSON MILLS LIMITED

Question No. 1,428—**Mr. Dick:**

Was an incentive grant in the amount of $39,000 to Hanson Mills Limited of Hull, Quebec, announced by the Minister of Regional Economic Expansion on August 27, 1971 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $39,686 was announced on August 27, 1971. (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on August 13, 1971 for a facility at Renfrew which is situated in the special area of Renfrew-Pembroke, Ontario. (b) $30,333—This amount was paid as follows: $5,373 on February 21, 1972; $24,960 on July 28, 1972; (c) The Directors of Hanson Mills are: J. H. F. Kenny; H. J. Knight; A. B. MacLaren; L. Kenny; J. G. Aylen; R. W. Harris; (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information. (e) N/A. (f) 26. (g) 40. (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $84,860 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) A going concern. (l) February 15, 1971.

DREE—INCENTIVE GRANT TO WALTHAM CREATIVE PRINTING LTD.

Question No. 1,429—**Mr. Dick:**

Was an incentive grant in the amount of $113,000 to Waltham Creative Printing Ltd., announced by the Minister of Regional Economic Expansion on August 27, 1971 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the comapny a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $113,000 was announced on August 27, 1971. (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on August 13, 1971 for a facility at Arnprior which is situated in the special area of Renfrew-Pembroke, Ontario. (b) No payment to date. (c) W. Edwards, President; P. Edwards, Secretary-Treasurer; J. Edwards. (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information. (e) N/A. (f) 24. (g) Not yet certified in commercial production. (h) Not yet in commercial production. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $434,000 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) Not yet certified in commerical production. (l) May 18, 1971.

DREE—INCENTIVE GRANT TO UNION CARBIDE OF CANADA LTD.

Question No. 1,430—**Mr. Dick:**

Was an incentive grant in the amount of $126,750 to Union Carbide of Canada Ltd., announced by the Minister of Regional Economic Expansion on November 26, 1971 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what

months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $126,750 was announced on January 27, 1972; (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on December 29, 1971 for a facility at Arnprior which is situated in the special area of Renfrew-Pembroke, Ontario. (b) No payments to date. (c) J. de Billy; D. F. S. Cole; K. S. Dewar; J. H. Field; A. I. Hainey; S. A. Hayden; A. T. Lambert; F. B. O'Mara; G. W. Patterson; J. F. Shankland; I. D. Sinclair. (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information. (e) N/A. (f) 69. (g) 10. (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $845,000 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) A going concern. (l) October 1, 1971.

DREE—INCENTIVE GRANT TO EDWIN D. KENNEDY LUMBER COMPANY

Question No. 1,431—**Mr. Dick:**

Was an incentive grant in the amount of $132,000 to Edwin D. Kennedy Lumber Company, announced by the Minister of Regional Economic Expansion on March 26, 1971 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $132,950 was announced on March 26, 1971. (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on January 27, 1971 for a facility at Waba (Arnprior) which is situated in the special area of Renfrew-Pembroke, Ontario. (b) A payment of $115,310 was made on March 30, 1972. (c) Edwin Deweese Kennedy; Ruth E. Kennedy; Edwin L. Kennedy; (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information. (e) N/A. (f) 21. (g) 25. (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $760,000 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) Going concern. (l) August 26, 1970.

DREE—INCENTIVE GRANT TO ACME SEELEY BUSINESS SYSTEMS LTD.

Question No. 1,432—**Mr. Dick:**

Was an incentive grant in the amount of $862,000 to Acme Seeley Business Systems Ltd. of Toronto, announced by the Minister of Regional Economic Expansion on March 30, 1971 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $862,850 was announced on March 22, 1971. (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on January 4, 1971 for a facility at Renfrew which is situated in the special area of Renfrew-Pembroke, Ontario. (b) $592,998, March 1972. (c) Directors of the company are: Victor E. Deinlein; George W. Horn; John B. Hinch; Richard B. McArdell; Bertram E. Ellis; Joseph T. Fitzpatrick. (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information. (e) N/A. (f) 137. (g) 119. (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $2,255,000 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) A going concern. (l) September 8, 1970.

Order Paper Questions

DREE—INCENTIVE GRANTS TO HYPERNETICS LIMITED

Question No. 1,433—**Mr. Dick:**

Was an incentive grant in the amount of $136,000 to Hypernetics Limited, announced by the Minister of Regional Economic Expansion on April 17, 1972 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $136,600 was announced on April 17, 1972. (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on March 20, 1972 for a facility at Arnprior which is situated in the special area of Renfrew-Pembroke, Ontario. (b) No payments have been made. (c) Directors of the company are: E. J. Mulvey; E. Ridgen; L. Magor; D. Weatherall; C. Mott; (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information. (e) N/A. (f) 55. (g) 6. (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $266,000 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) Going concern. (l) September 30, 1971.

DREE—INCENTIVE GRANT TO S. & P. FURNITURE CO. LTD.

Question No. 1,434—**Mr. Dick:**

Was an incentive grant in the amount of $103,000 to S. & P. Furniture Co. Ltd., announced by the Minister of Regional Economic Expansion on October 10, 1972 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $103,050 was announced in the September 1972 Parliamentary Report.

[Mr. Prud'homme.]

(a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on June 26, 1972 for a facility at Arnprior which is situated in the special area of Renfrew-Pembroke, Ontario. The agreement was subsequently amended to confirm a change of name to Spindler Furniture International Limited and revise the offer downwards to $98,550. This change will be reported in the March 1973 Parliamentary Report. (b) No moneys have been disbursed as the project is still under construction. (c) Charlotte Spindler; Willi Spindler; Angelika Spindler; Thomas Barker. (d) Under the Business Corporations Act of Ontario the names of the shareholders of a corporation are not public information. (e) N/A. (f) 45. (g) None; facility under construction. (h) None; facility under construction. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $207,000 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations. (k) Still in the construction stage at this time. (l) March 10, 1972.

DREE—INCENTIVE GRANT TO GARY WILSON TIRE SERVICE LTD.

Question No. 1,435—**Mr. Dick:**

Was an incentive grant in the amount of $21,000 to Gary Wilson Tire Service Ltd., announced by the Minister of Regional Economic Expansion on October 16, 1972 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $21,969 was announced on October 16, 1972. (a) An Agreement was entered into pursuant to the Government Organization Act, 1969 between the Government of Canada and the applicant on July 27, 1972 for a facility at Renfrew which is situated in the Special Area of Renfrew-Pembroke, Ontario. (b) No payments to date. (c) Mr. and Mrs. Gary Wilson. (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information. (e) N/A. (f) Two (g) None—the project is still under construction. (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard. (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible

capital costs on which the grant offer was based are $105,700 and the applicant's equity is in all cases at least 20 percent of that amount as provided in the Regional Development Incentives Regulations. (k) Going concern. (l) March 10, 1972.

DREE—INCENTIVE GRANT TO HY-HOE OF CANADA LTD.

Question No. 1,436—**Mr. Dick:**

Was an incentive grant in the amount of $303,000 to Hy-Hoe of Canada Ltd., announced by the Minister of Regional Economic Expansion on January 23, 1973 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $303,600 was announced on January 23, 1973; (a) An Agreement was entered into pursuant to the Government Organization Act, 1969 between the Government of Canada and the applicant on November 30, 1972 for a facility at Arnprior which is situated in the Special Area of Renfrew-Pembroke, Ontario. (b) No payment has been made as yet; (c) Mr. A. E. Joslin; Mr. W. N. Brading; Mr. F. J. Greenwood; (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information; (e) N/A; (f) 36; (g) Nil; (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard; (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $978,000 and the Applicant's equity is in all cases at least 20 percent of that amount as provided in the Regional Development Incentives Regulations; (k) N/A. Construction of the new plant in Arnprior, Ontario is to begin before April 1, 1973; (l) July 13, 1972.

DREE—INCENTIVE GRANT TO JARI INDUSTRIES LTD.

Question No. 1,437—**Mr. Dick:**

Was an incentive grant in the amount of $145,000 to Jari Industries Limited, announced by the Minister of Regional Economic Expansion on April 4, 1972 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $145,965 was announced on April 4, 1972, (a) An Agreement was entered into pursuant to the Government Organization Act, 1969 between the Government of Canada and the applicant on February 1, 1972 for a facility at Arnprior which is situated in the Special Area of Renfrew-Pembroke, Ontario; Agreement amended November 3, 1972—change of name to Gomes Yarns Ltd.; (b) No payments yet made; (c) A. F. Gomes; A. E. Vick; (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information; (e) N/A; (f) 50; (g) None—facility still under construction; (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard; (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $325,100 and the applicant's equity is in all cases at least 20 percent of that amount as provided in the Regional Development Incentives Regulations; (k) Construction of facility in progress; (l) July 7, 1971.

DREE—INCENTIVE GRANT TO HOMCO INDUSTRIES LTD.

Question No. 1,438—**Mr. Dick:**

Was an incentive grant in the amount of $312,000 to Homco Industries Ltd., announced by the Minister of Regional Economic Expansion on June 8, 1971 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): An offer of incentive assistance in the amount of $312,000 was announced on April 27, 1972; (a) An Agreement was entered into pursuant to the Government Organization Act, 1969 between the Government of Canada and the applicant on April 10, 1972 for a facility at Westmeath Township which is situated in the Special Area of Renfrew-Pembroke, Ontario; (b) No payment made to date; (c) D. D. Johnson, T. H. McGregor; A. Berday; G. D. Hill, P. H. Davis; W. H. Powell; A. Peterson; (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information; (e) N/A; (f) 116; (g) 33 as of January 27, 1973; (h) The Department's primary concern, for grant purposes, is related to

the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard; (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $800,000 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the regional development Incentives Regulations; (k) Going concern; (l) January 28, 1972.

DREE—INCENTIVE GRANT TO EDUCATIONAL FITMENT AND MILLWORK CO.

Question No. 1,439—**Mr. Dick:**

Was an incentive grant in the amount of $42,000 to Educational Fitment & Millwork Company, announced by the Minister of Regional Economic Expansion on September 17, 1971 and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receive ship, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, an offer of incentive assistance in the amount of $42,000 was announced on September 17, 1971; (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the Government of Canada and the applicant on August 23, 1971 for a facility at Arnprior which is situated in the Special Area of Renfrew-Pembroke, Ontario; (b) $26,583, October 30, 1972; (c) Not incorporated—sole proprietorship—J. A. Murdoch; (d) N/A; (e) N/A; (f) 9; (g) 7; (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard; (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $76,450 and the applicant's equity is in all cases at least 20 percent of that amount as provided in the Regional Development Incentives Regulations; (k) Going concern; (l) February 16, 1971.

*PROMOTION OF NEW POSTAL CODE

Question No. 1,443—**Mr. Dinsdale:**

1. What publicity gimmicks have been used to promote the new postal code?

2. What has been the cost to the taxpayers in each case?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. The promotion of the postal code is done through advertising, a travelling exhibit and textual material, including a householder information booklet.

2. The 1972-1973 advertising budget for the postal code was $545,000, the exhibit cost $25,000 and the cost for the textual material was approximately $295,000.

RCMP SIGNS ON BUILDINGS

Question No. 1,450—**Mr. Coates:**

1. How many signs at RCMP detachment quarters, and other quarters, were changed with a wording of "Police" replacing the former complete name of the force?

2. Since the initial changes, how many of these signs have been reworded so that the full name of the force now appears?

3. How many signs indicating RCMP force offices or quarters still carry the wording "Police"?

4. Is action being taken to have all RCMP quarters signs bear the full name of the force and, if so, when will this programme be completed?

Hon. Warren Allmand (Solicitor General): For the Ministry of the Solicitor General: 1. Twenty-six signs containing the crest of the Royal Canadian Mounted Police and the word "Police" were installed on operational buildings replacing signs which contained the crest of the Force and the words Royal Canadian Mounted Police or Gendarmerie Royale du Canada. In addition, twenty-six buildings housing offices of the Royal Canadian Mounted Police had the sign with the word "Police" installed because they were new buildings previously unmarked and the Force was occupying them for the first time.

2. Nil.

3. Fifty-two.

4. A new building sign bearing the crest of the Force and the words Royal Canadian Mounted Police and Gendarmerie Royale du Canada has been approved and will be taken into use as soon as supplies can be obtained.

RCMP SIGNS ON VEHICLES

Question No. 1,451—**Mr. Coates:**

1. What lettering is presently being used on RCMP vehicles and is the RCMP crest included with the wording on all vehicles of the force?

2. Are there any RCMP vehicles being used that carry only the word "Police" without any indication of the force that operates the vehicles and, if so, for what reason?

Hon. Warren Allmand (Solicitor General): For the Ministry of the Solicitor General: 1. Royal Canadian Mounted Police vehicles now in service may have, as part of the vehicle marking, either the lettering RCMP or the single word POLICE. The vehicle marking, or shield, includes in every instance the crest of the Royal Canadian Mounted Police. The current use of dual types of vehicle markings results from a changeover to bilingual vehicle markings commenced in January 1972 as new vehicles were brought into service. This practice was halted on April 28, 1972 when only partially implemented because of representations regarding the particular markings and since that date, save in cases of operational necessity, new vehicles have been left unmarked. A new vehicle marking bearing the crest of the Royal Canadian Mounted Police with the letters RCMP and GRC on either side has been approved

and will be taken into use as soon as supplies can be obtained.

2. No.

STONY MOUNTAIN PENITENTIARY—PAROLE

Question No. 1,452—**Mr. Howard:**

1. Since January 1, 1972, how many inmates at the Stony Mountain Penitentiary who were (a) Indians (b) non-Indians applied for (i) parole (ii) day parole (iii) temporary absence and of these how many, in each case, were granted?

2. Since January 1, 1972, what percentage of (a) Indians (b) non-Indians who were inmates in the said institution who applied for a full or minimum parole were granted such parole?

Hon. Warren Allmand (Solicitor General): For the Ministry of the Solicitor General: 1. This information is not available in a readily retrievable form and would require a time consuming search of the personal files maintained on each inmate who has been in the institution at any time since January 1, 1972. While information on the ethnic or racial origin of each inmate is obtained by way of a verbal statement from the inmate on admission and is recorded on his personal file, the Canadian Penitentiary Service does not maintain a data bank or other statistical record of the ethnic or racial origins of inmates; and neither the Canadian Penitentiary Service nor the National Parole Board record or otherwise make any distinction in respect of the ethnic or racial origins of inmates who apply for or are granted either (i) parole, (ii) day parole or (iii) temporary leave of absence.

2. As for 1 above.

SASKATCHEWAN PENITENTIARY—PAROLE

Question No. 1,453—**Mr. Howard:**

1. Since January 1, 1972, how many inmates at the Prince Albert (or Saskatchewan) Penitentiary who were (a) Indians (b) non-Indians applied for (i) parole (ii) day parole (iii) temporary absence and of these how many, in each case, were granted?

2. Since January 1, 1972, what percentage of (a) Indians (b) non-Indians who were inmates in the said institution who applied for a full or minimum parole were granted such parole?

Hon. Warren Allmand (Solicitor General): 1. This information is not available in a readily retrievable form and would require a time consuming search of the personal files maintained on each inmate who has been in the institution at any time since January 1, 1972. While information on the ethnic or racial origin of each inmate is obtained by way of a verbal statement from the inmate on admission and is recorded on his personal file, the Canadian Penitentiary Service does not maintain a data bank or other statistical record of the ethnic or racial origins of inmates; and neither the Canadian Penitentiary Service nor the National Parole Board record or otherwise make any distinction in respect of the ethnic or racial origins of inmates who apply for or are granted either (i) parole, (ii) day parole or (iii) temporary leave of absence.

2. As for 1 above.

MATSQUI PENITENTIARY—PAROLE

Question No. 1,454—**Mr. Howard:**

1. Since January 1, 1972, how many inmates at the Matsqui Penitentiary who were (a) Indians (b) non-Indians applied for (i) parole (ii) day parole (iii) temporary absence and of these how many, in each case, were granted?

2. Since January 1, 1972, what percentage of (a) Indians (b) non-Indians who were inmates in the said institution who applied for a full or minimum parole were granted such parole?

Hon. Warren Allmand (Solicitor General): 1. This information is not available in a readily retrievable form and would require a time consuming search of the personal files maintained on each inmate who has been in the institution at any time since January 1, 1972. While information on the ethnic or racial origin of each inmate is obtained by way of a verbal statement from the inmate on admission and is recorded on his personal file, the Canadian Penitentiary Service does not maintain a data bank or other statistical record of the ethnic or racial origins of inmates; and neither the Canadian Penitentiary Service nor the National Parole Board record or otherwise make any distinction in respect of the ethnic or racial origins of inmates who apply for or are granted either (i) parole, (ii) day parole or (iii) temporary leave of absence.

2. As for 1 above.

BRITISH COLUMBIA PENITENTIARY—PAROLE

Question No. 1,455—**Mr. Howard:**

1. Since January 1, 1972, how many inmates at the British Columbia Penitentiary who were (a) Indians (b) non-Indians applied for (i) parole (ii) day parole (iii) temporary absence and of these how many, in each case, were granted?

2. Since January 1, 1972, what percentage of (a) Indians (b) non-Indians who were inmates in the said institution who applied for a full or minimum parole were granted such parole?

Hon. Warren Allmand (Solicitor General): 1. This information is not available in a readily retrievable form and would require a time consuming search of the personal files maintained on each inmate who has been in the institution at any time since January 1, 1972. While information on the ethnic or racial origin of each inmate is obtained by way of a verbal statement from the inmate on admission and is recorded on his personal file, the Canadian Penitentiary Service does not maintain a data bank or other statistical record of the ethnic or racial origins of inmates; and neither the Canadian Penitentiary Service nor the National Parole Board record or otherwise make any distinction in respect of the ethnic or racial origins of inmates who apply for or are granted either (i) parole, (ii) day parole or (iii) temporary leave of absence.

2. As for 1 above.

DREE—INCENTIVE GRANT TO NORTH AMERICAN VALVE AND MANUFACTURING CORP. LTD.

Question No. 1,456—**Mr. Dick:**

Was an incentive grant in the amount of $774,667 to North American Valve & Manufacturing Corp. Ltd., announced by the Minister of Regional Economic Expansion and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who

are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion: An offer of incentive assistance to Renfrew Tool (1970) Ltd. in the amount of $774,667 was announced in the October 1970 Parliamentary Report; (a) An agreement was entered into pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on October 16, 1970 for a facility at Renfrew which is situated in the special area of Renfrew-Pembroke, Ontario; The name of the company was officially changed to North American Valve & Manufacturing Corporation Limited, effective September 9, 1971 and duly registered in file No. 235914 of the Controller of Records, Companies Branch, Department of Financial and Commercial Affairs of the Province of Ontario. It was withdrawn on June 9, 1972; (b) No payments have been made to the company; (c) As at December 14, 1971 the Directors were: Glen W. Campbell, R. Dubrovsky and R. G. Connelly; (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information; (e) N/A; (f) 155; (g), (h) and (i) See (k) following; (j) See (b); (k) In receivership, May 25, 1972; (l) July 10, 1970.

DREE—INCENTIVE GRANTS TO GOMES YARNS

Question No. 1,457—**Mr. Dick:**

Was an incentive grant to Gomes Yarns, announced by the Minister of Regional Economic Expansion and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): An amended offer of incentives assistance in the amount of $98,765 to Gomes Yarns Limited (formerly Jari Industries Ltd.) was announced in the November 1972 Parliamentary Report: (a) An amended agreement was entered into on November 3, 1972 for a facility at Renfrew; (b) No payments yet made; (c) Mr. A. F. Gomes, President; Mr. A. E. Vick, Vice-President; Mr. Gomes Ault, Secretary-Treasurer; (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information; (e) N/A; (f) 50; (g) None; facility still under construction; (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard; (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $325,100 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations; (k) Construction of facility in progress; (l) July 7, 1971.

[Mr. Dick.]

DREE—INCENTIVE GRANT TO VALEWOOD

Question No. 1,458—**Mr. Dick:**

Was an incentive grant in the amount of $170,825 to Valewood (formerly Sauna of Canada), announced by the Minister of Regional Economic Expansion and, if so (a) has the grant been made, was it withdrawn or was it turned down (b) how much money has been given to the company, to date, in what months and in what amounts was the money forwarded (c) who are the directors of the company (d) who is the largest shareholder in the company (e) what citizenship is the largest shareholder (f) how many jobs were to be created at the time of the announcement (g) how many jobs were in fact created as of March 1, 1973 (h) how many employees were there on the company payroll as of March 1, 1973 (i) how much was the initial capitalization of the project (j) how much of the capitalization was put up by the owners (k) is the company a going concern, in receivership, or bankrupt (l) what was the date of the application for the grant?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): An offer of incentive assistance to 235,477 Manufacturing Limited in the amount of $170,825 was announced in the October 1970 Parliamentary Report but subsequently announced as declined in the November 1970 Parliamentary Report. On February 11, 1971, another offer to the company in the amount of $171,675 was announced; (a) This agreement was entered into, pursuant to the Government Organization Act, 1969 between the government of Canada and the applicant on January 29, 1971 for a facility at Renfrew, which is situated in the special area of Renfrew-Pembroke, Ontario. The name of the company was subsequently changed by letters patent to Valewood Products Limited; (b) $132,490, September 10, 1971; (c) Mr. C. K. Williams; Mr. A. C. Williams; Mr. E. A. Greenberg; (d) Under the Business Corporations Act of Ontario, the names of the shareholders of a corporation are not public information; (e) N/A; (f) 57; (g) Nil; see (k); (h) The Department's primary concern, for grant purposes, is related to the employment created by a particular project, rather than to total employment in the company concerned. Consequently, no accurate records are kept in this regard; (i) and (j) Information on total capitalization of the project and the applicant's share of that capitalization cannot be provided without releasing information given by the applicant on a confidential basis. However, the eligible capital costs on which the grant offer was based are $384,500 and the applicant's equity is in all cases at least 20 per cent of that amount as provided in the Regional Development Incentives Regulations; (k) The company has been in bankruptcy, effective November 28, 1972; (l) November 18, 1970.

GRANTS TO MEDICAL RESEARCH COUNCIL

Question No. 1,472—**Mr. Douglas:**

1. What amount of money has been granted to the Medical Research Council of Canada for the past five years ending March 31, 1973?

	1968-69	1969-70	1970-71	1971-72	1972-73	Total
			($ thousands)			
Grants and Scholarship Vote	26,943	30,891	33,962	35,642	37,460	164,898
Administrative Vote	268	324	402	473	540	2,007
Total	27,211	31,215	34,364	36,115	38,000	166,905

2. All moneys under the Grants and Scholarship Vote.

3. The Wood-Gundy Report (1965) made no projection of requirements for the fiscal years 1972-73 and 1973-74.

CURING AND PREPARATION OF TOBACCO

Question No. 1,491—**Mr. Howard:**

Does the government have any knowledge of the chemicals or substances used in the curing and preparation of tobacco and, if so, are any of these chemicals or substances of a narcotic nature and, if so (a) what is the type of narcotic used (b) in what percentages does it exist (c) is any of it contained in the final tobacco product?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The government has no knowledge of chemicals or substances of a narcotic nature being used in the curing and preparation of tobacco.

VISUAL EDUCATION CENTRE—RELATIONSHIP WITH ENCYCLOPEDIA BRITANNICA

Question No. 1,674—**Mr. Schumacher:**

1. (a) On what date (b) by what authority (c) for what purpose or aim was the Visual Education Centre established?

2. Is there any relationship between the Visual Education Centre and Encyclopedia Britannica and, if so, what is the nature of such relationship?

3. What were the (a) total assets (b) total profits of the Visual Education Centre, by year, since its inception to date?

4. Is the Visual Education Centre engaged in any endeavour other than educational and, if so, what is the nature of such endeavours in each case?

5. What is the percentage of profit on sale of Visual Education Centre material to school boards or other educational bodies?

Hon. James Hugh Faulkner (Secretary of State): The government does not have this information.

VISUAL EDUCATION CENTRE—PROCEEDINGS AGAINST SCHOOL BOARDS

Question No. 1,676—**Mr. Schumacher:**

Has the Visual Education Centre commenced any proceedings or actions against individual school boards and, if so (a) what are the names and locations of any such school boards (b) what is the nature of such proceedings or actions in each case (c) have such cases been settled (i) out of court (ii) within the court (d) what are the details of such settlements in each case (e) who represents the Visual Education Centre in any such actions (f) is such counsel paid out of (i) private funds (ii) tax-derived funds?

Hon. James Hugh Faulkner (Secretary of State): The government does not have this information.

LOANS TO AGRICULTURAL EXHIBITION ASSOCIATIONS

Question No. 1,688—**Mr. Stewart (Okanagan-Kootenay):**

1. How many loans were made in 1972 for agricultural exhibition associations and what was the amount of each?

2. In 1973 (a) how many loans are anticipated for agricultural exhibition associations (b) what is the total amount (c) how much will be allocated for labour, buildings, equipment, etc?

Hon. E. F. Whelan (Minister of Agriculture): 1. Loans made in 1972,—10(ten): Kamloops B.C. $500,000; Vermilion, Alberta $70,000; Calgary, Alberta $4,000,000; Gowichan, B.C. $9,900; Pictou, Nova Scotia $242,000; Lethbridge, Alberta $344,250; Lloydminster, Sask.—Alta $150,000; Manitou, Manitoba $100,000; Teulon, Manitoba $50,000; North Norfolk, Manitoba $95,000; Total: $5,561,150.

2. In 1973 (a) 15 (fifteen), (b) $15, million, (c) Labour $6 million. Buildings and Equipment $9 million.

QUEEN'S PORTRAIT—CITIZENSHIP COURTS

Question No. 1,695—**Mr. Diefenbaker:**

1. How many Citizens' Courts have been established by provinces in all parts of Canada?

2. In how many of the said Courts, by province, is the Queen's portrait no longer displayed?

Hon. James Hugh Faulkner (Secretary of State): 1. There are 18 Citizenship Court offices in Canada located in Halifax, Moncton, Montreal, Ottawa, Toronto, Hamilton, St. Catharines, Waterloo, Sudbury, London, Windsor, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

2. None.

REAL ESTATE PRACTICES

Question No. 1,726—**Mr. Mather:**

1. Is consideration being given to the real estate practice of multiple listing commission fixing?

2. Does this practice (a) restrict competition (b) inflate consumer prices?

Order Paper Questions

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. In accordance with the recommendation of the Economic Council of Canada, consideration is being given to extension of the competition policy legislation to service trades not presently covered.

2. See 1. above.

INFORMATION RELATING TO MONEY PAID TO MR. MARTIN O'CONNELL

Question No. 1,755—**Mr. Cossitt:**

1. How much money has been paid by the government, before any deductions at source, in the nature of salary, honorarium or retainers to Mr. Martin O'Connell between October 30, 1972 and up to and including March 31, 1973?

2. Has any money been paid to Mr. Martin O'Connell as an expense allowance of any kind whatsoever and, if so (a) what is the total amount of such expenses paid (b) what is the exact description of each expense and the amount involved in each case?

Right Hon. P. E. Trudeau (Prime Minister): 1. Mr. Martin O'Connell received salary from November 27, 1972 to March 31, 1973 based on an annual salary of $30,000 to $35,000.

2. Travel Expenses: $831.40; Hospitality Expenses: $161.99; Total Expenses: $993.39.

INFORMATION CONCERNING MONEY PAID TO MR. JOHN ROBERTS

Question No. 1,756—**Mr. Cossitt:**

1. How much money has been paid by the government, before any deductions at source, in the nature of salary, honorarium or retainers to Mr. John Roberts between October 30, 1972 and up to and including March 31, 1973?

2. Has any money been paid to Mr. John Roberts as an expense allowance of any kind whatsoever and, if so (a) what is the total amount of such expenses paid (b) what is the exact description of each expense and the amount involved in each case?

Right Hon. P. E. Trudeau (Prime Minister): 1. Mr. John Roberts received salary from January 8, 1973 to March 31, 1973 based on an annual salary of $30,000 to $35,000.

2. Travel Expenses: $418.60; Hospitality Expenses: $38.40; Removal Expenses: $832.00; Total Expenses: $1,289.00.

GUARANTEED INCOME SUPPLEMENT

Question No. 1,762—**Mr. Stewart (Okanagan-Kootenay):**

1. How much money has been paid under the Guaranteed Income Supplement in each year since its inception?

2. How many people in each province receive benefits under the Guaranteed Income Supplement?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. 1966-67, $39,957,478; 1967-68, $234,835,151; 1968-69, $244,470,268; 1969-70, $263,478,628; 1970-71, $280,005,371; 1971-72, $526,059,572; *1972-73, $739,000,000.

---

*Estimated figure.

2. As of February 28, 1973:Nfld, 28,288; P.E.I., 9,805; N.S., 50,775; N.B., 38,745; Que., 275,720; Ont. 329,092; Man. 60,941; Sask. 60,356; Alta., 74,296; B.C., 117,355; Yukon, 324; N.W.T. 757; Canada, 1,046,454.

DREE—GRANT TO CANADIAN CHARTERED BANK

Question No. 1,817—**Mr. Lambert (Bellechasse):**

Since its inception, has the Department of Regional Economic Expansion made any grant to a Canadian chartered bank and, if so (a) to which one (b) in what year (c) in what amount (d) in what Canadian city?

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): No. Not eligible for assistance; (a) N/A; (b) N/A; (c) N/A; (d) N/A.

[*English*]

CBC STAFF AND BUDGET

Question No. 1,825—**Mr. Stewart (Okanagan-Kootenay):**

1. How many people were employed by CBC during each year 1970 to 1972 inclusive?

2. What was the CBC budget in each of these years?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Number of continuing CBC employees as of March 31st for each of the years in question: 1970, 8,951; 1971, 8,885; 1972, 9,070; 1973, 9,293 (as of March 23).

2. CBC net operating budgets for each of the years in question, provided through parliamentary appropriation: 1969-70, $166,000,000; 1970-71, $166,000,000; 1971-72, $181,000,000; 1972-73, $207,000,000.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

APPOINTMENT OF MEMBERS OF 28th PARLIAMENT TO GOVERNMENT POSITIONS

Question No. 36—**Mr. Reynolds:**

1. How many former Members of the 28th Parliament now hold government positions, in any capacity?

2. (a) What are their names (b) what positions do they presently hold (c) with what department (d) what are their salaries?

Return tabled.

DEPARTMENT OF ENERGY, MINES AND RESOURCES RESEARCH EXPENDITURE

Question No. 135—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Department of Energy, Mines and resources on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what

are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

GRANTS UNDER SHIP CONSTRUCTION SUBSIDY PROGRAM

Question No. 153—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the Ship Construction Subsidy Program (SCSP), in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date and what were the amounts of each grant?

2. What were the names of the owners of ships and other vessels built under the Program in each of the above fiscal years?

3. What were the names of foreign-based ship-owners who commissioned construction of ships and other vessels under the Program, who benefitted from a federal export subsidy, and what were the amounts of the export subsidy in each case in each of the above fiscal years?

4. What are the objectives of the above Program?

5. Has the department conducted any evaluative study of the Program and, if so, what was the date of the latest report?

Return tabled.

RENTAL COSTS OF OFFICE AND STORAGE SPACE FOR GOVERNMENT DEPARTMENTS AND AGENCIES

Question No. 181—**Mr. Harding:**

What were the costs to the government of rentals of office and storage space, separately for each department and agency, in each of the fiscal years 1968-69, 1969-70, 1970-71 and 1971-72?

Return tabled.

IMPORT OF MANDARIN ORANGES FROM JAPAN AND EXPORT OF CANADIAN APPLES TO JAPAN

Question No. 429—**Mr. Whittaker:**

1. Are mandarin oranges imported into Canada from Japan and, if so, in what volume for each fiscal year 1968-69 to 1971-72?

2. At what landings were these oranges landed and in what area was the bulk of the imports sold?

3. What was the total dollar value of the import of such oranges for each fiscal year as mentioned in Part 1?

4. Is it possible to export Canadian apples to Japan and, if not, for what reason?

5. Has representation been made by the Government of Canada to the Government of Japan with regard to the export of apples to that country and, if so (a) when has such representation been made (b) are there proposals being made by the government at the present time in this regard?

Return tabled.

PUBLIC WORKS—OFFICE AND FLOOR SPACE LEASED BY GOVERNMENT

Question No. 506—**Mr. Forrestall:**

1. What is the total amount of office and other floor space, in square feet, owned or leased by the government (a) within the National Capital Region (b) within the metropolitan area of Halifax-Dartmouth (c) within the metropolitan area of Montreal (d) within the metropolitan area of Toronto (e) within the metropolitan area of Vancouver-Victoria (f) within the metropolitan area of Winnipeg (g) within the metropolitan area of Edmonton (h) within the metropolitan area of Calgary (i) within the metropolitan area of London, Ontario (j) within the metropolitan area of Quebec City?

2. For each of the above, what percentage is (a) owned (b) leased?

Return tabled.

PROJECTS ACCOMPLISHED IN COMPTON CONSTITUENCY IN CURRENT FISCAL YEAR

Question No. 544—**Mr. Latulippe:**

1. By department, what projects were accomplished in the constituency of Compton in the current fiscal year?

2. What are the projected plans by department for the same constituency during the next fiscal year?

Return tabled.

Mr. Blenkarn: Mr. Speaker, last week and earlier this week I rose in connection with my question No. 278 which was filed with the government on January 12. I have raised a question of privilege in this regard on two occasions, and this is the third occasion. The government is clearly refusing to answer the question. I am reasonably convinced that it has the answer in its files and material. I think it is an affront to myself as a member of the House that the government refuses to give any answer whatsoever to this question, even though the question has been outstanding at this point for nearly four months.

Mr. Stevens: Mr. Speaker, I too should like to make a request concerning a question of mine that has been on the order paper since February 7. I am referring to question No. 832 relating to the Canadian Commercial Corporation. My question was initially raised but not answered by the Auditor General of Canada. I believe that the government should be more forthright in presenting the answer to parliament.

Mr. Cossitt: Mr. Speaker, I should like to draw attention to questions Nos. 1,752 to 1,760. Two of these the parliamentary secretary said would be answered today, namely, 1,755 and 1,756. As all of these questions are of the same nature and pertain to people who were Liberal candidates in the last election and have been appointed to various government positions, I really cannot see why they cannot all be answered, not just two. I can only assume that the government is so busy appointing further unsuccessful Liberal candidates—

Mr. Speaker: Order, please. I should point out that there are nearly 2,000 questions on the order paper. If every time we reach this order of business we hear speeches from hon. members on why questions have not been answered, we might spend quite a bit of time on the matter. I am not disputing the hon. member's right to rise on a point of order, but I would hope that hon. members would not extend their remarks too much. The hon. member for Burnaby-Richmond-Delta is also rising on a point of order.

Mr. Reynolds: Thank you, Mr. Speaker. I too have a question on the order paper, No. 230, asking for which insurance companies Air Canada acts as agent. The only reason I take the time of the House is that the previous member from my riding, a Liberal, put this same question on the order paper two years ago, and the government is

still refusing to answer it. It is of great concern to the people of my riding.

MOTIONS FOR PAPERS

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 197 and 198 are acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

[*Translation*]

Mr. Speaker: Subject to the reservations and conditions mentioned by the parliamentary secretary, does the House agree that notices of motions Nos. 197 and 198 be deemed to have been adopted?

Some hon. Members: Agreed.

[*English*]

MICHELIN TIRES—REPRESENTATION BY GOVERNMENT TO UNITED STATES GOVERNMENT

Motion 197—**Mr. Lawrence:**

That an Order of the House do issue for copies of all notes and formal representations made by, or on behalf of, the Government of Canada to the Government of the United States of America with respect to the countervailing duties imposed on Michelin tires manufactured in Canada.

Motion agreed to.

DISC PROGRAM—REPRESENTATIONS BY GOVERNMENT TO UNITED STATES GOVERNMENT

Motion No. 198—**Mr. Lawrence:**

That an Order of the House do issue for copies of all notes and formal representations made by, or on behalf of, the Government of Canada to the Government of the United States of America with regard to the so-called DISC Program.

Motion agreed to.

Mr. Reid: Mr. Speaker, would you be so kind as to call notices of motions Nos. 118, 128, 193, 199 and 200.

MACKENZIE VALLEY PIPELINE—FINANCIAL FEASIBILITY REPORTS

Motion No. 118—**Mr. Saltsman:**

That an Order of the House do issue for a copy of all reports prepared within or for the government concerning the financial feasibility of the proposed Mackenzie Valley pipeline.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member for Waterloo-Cambridge.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Department of Energy, Mines and Resources reports that financial feasibility studies are under way on an interdepartmental basis. No reports have been published. In the forthcoming report on energy supply and demand and related matters, expected to be published by the mid-year, there will be references to northern pipeline financial feasibility. I would therefore ask the hon. member to withdraw his motion.

[Mr. Reynolds.]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I would be pleased to withdraw it, subject to the hon. member's right to place it on the order paper later.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

• (1430)

CORRESPONDENCE RELATING TO MARINE TRANSPORTATION IN ARCTIC AREA

Motion No. 128—**Mr. Forrestall:**

That an Order of the House do issue for the tabling of all plans, charts, maps, correspondence or any other documents of any nature whatsoever, relating to marine transportation in the Arctic area of Canada of commercial vessels.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in answer to notice of motion for the production of papers No. 128, may I say that the papers requested are of a voluminous character and would require an inordinate cost or length of time to prepare. We have already invited the hon. member to look into these documents which are available to him. I would ask, therefore, that the hon. member withdraw his motion at this time.

Mr. Forrestall: I agree to withdraw it, Mr. Speaker.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

HMCS "RESTIGOUCHE"—REPORT OF BOARD OF LEGAL INQUIRY

Motion No. 193—**Mr. Rowland:**

That an Order of the House do issue for a copy of the report of the Board of Legal Inquiry into damages done to *HMCS Restigouche* during refit.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on the hon. member's behalf.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there is no board of legal inquiry. I would, therefore, ask the hon. member to withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

CANADA-U.S. TRADE AGREEMENT—REPRESENTATIONS BY GOVERNMENT TO UNITED STATES GOVERNMENT

Motion No. 199—**Mr. Lawrence:**

That an Order of the House do issue for copies of all notes and formal representations made by, or on behalf of, the Government of Canada to the Government of the United States of America with respect to negotiating revisions to the Canada-U.S. Automotive Trade Agreement.

Mr. Baldwin: I move the motion on behalf of the hon. member.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, no written representations have been made to the United States government in respect of the operation of the Canada-United States automotive trade agreement and the possibility of revisions to this agreement. However, these matters have been the subject of numerous discussions with senior United States officials who thus are fully aware of Canadian views. I would therefore ask the hon. member to withdraw his motion.

Mr. Baldwin: Withdrawn, subject to the right of the hon. member to reinstate it after examining all the subtleties of that answer.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

BURKE-HARTKE BILL—REPRESENTATION BY GOVERNMENT TO UNITED STATES GOVERNMENT

Motion No. 200—**Mr. Lawrence:**

That an Order of the House do issue for copies of all notes and formal representations made by, or on behalf of, the Government of Canada to the Government of the United States of America with respect to the so-called "Burke-Hartke" bill.

Mr. Baldwin: I move the motion on the hon. member's behalf.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, no written representations have been made to the United States government with regard to the so-called "Burke-Hartke" bill. However, this bill and its implications for Canada have been discussed on numerous occasions with senior United States officials who are thus well aware of Canadian views. I would therefore ask the hon. member to withdraw his motion.

Mr. Baldwin: Agreed.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

Mr. Howard: Mr. Speaker, my point of order is the same as the one I raised last week with reference to notices of motions Nos. 161 to 185 inclusive standing in my name since February 26. They ask for a copy of the time schedule that is supposed to exist within which pulp and paper mills in British Columbia will have to meet the pulp and paper mill effluent regulations established by the government some two and a half years ago. I am wondering why there has been such a long delay in replying to that request.

Mr. Speaker: Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

EFFECTIVENESS OF PRESENT STRATEGY IN REDUCING UNEMPLOYMENT IN LIGHT OF REPORTED GOVERNMENT INTENTION TO PROVIDE WORK FOR EMPLOYABLES ON WELFARE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance whether, in view of the intention of the Minister of National Health and Welfare to get employables off the welfare rolls by providing work on the government payroll, it is now the position of the minister and the government that its present economic strategy will not reduce unemployment to an acceptable rate?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the hon. gentleman is basing that question on a press report, and he ought to wait and see the policy announced by my colleague.

Mr. Stanfield: Is it now the policy of the minister to attempt to reduce unemployment by creating a sort of huge LIP style program, does the government believe this is necessary in view of interest rates going up, and will the government accept the proposition that its policies will not create sufficient jobs in the private sector?

Mr. Turner (Ottawa-Carleton): The answer is no, Mr. Speaker.

Mr. Stanfield: Mr. Speaker, I should like to ask the Minister of Finance whether he has been consulted about the work program proposal of the Minister of National Health and Welfare?

Mr. Turner (Ottawa-Carleton): The government is constantly in touch, Mr. Speaker.

UNEMPLOYMENT—POSSIBILITY OF LEGISLATION TO MAKE OPPORTUNITIES FOR YOUTH AND LOCAL INITIATIVES PROGRAMS PERMANENT

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary question I should like to direct to the Prime Minister. In view of the importance of the two employment programs devised by the government in the last couple of years, opportunities for youth and local initiatives, and in view of recent comments by the Secretary of State in respect of the possible integration of these programs and the lack of any statutory recognition for them, will he indicate whether the government plans in

this session to bring legislation before parliament in effect to ratify or establish policy on a long-term basis for these two programs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member in his question did state well the government's expressed concern for these programs and the areas in which they have been working. I am afraid I cannot answer the precise question whether we will be making an announcement or taking any action at this time. Such a decision has not been made.

* * *

FLOODS

HIGH WATER LEVELS ON GREAT LAKES—POSSIBLE USE OF ARMED FORCES FOR PREVENTIVE MEASURES—NEGOTIATIONS WITH ONTARIO ON COST-SHARING

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, my question is directed to the Minister of National Defence or the Minister of the Environment; I am not sure which should answer. It arises from reports yesterday of continuing and increasing flood damage to property in municipalities along the Great Lakes from Windsor right through to Oshawa. Can the minister confirm to the House that the government is currently negotiating an arrangement with the province of Ontario to share the cost of Canadian forces units which would be used to assist municipalities in flood preventive measures? Can he indicate the basis of such an arrangement and whether it will assure that municipalities will be relieved of any part of the cost involved?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I have been in touch with the Minister of National Defence and there has been no request for assistance from the government of Ontario.

Mr. Grier: Mr. Speaker, I am afraid I did not hear the reply. Would the minister kindly repeat it?

Mr. Davis: Mr. Speaker, the hon. member asks me to repeat my reply. I have been in touch with the Minister of National Defence and, as I understand it, there has been no request for assistance by the armed forces in respect of this matter from the government of Ontario.

Mr. Grier: Mr. Speaker, in view of the fact that reports in the press today attribute to the Ontario resources minister remarks to the effect that negotiations are currently under way between the governments of Ontario and Canada to make cost-sharing arrangements to cover the cost of use of the Canadian forces, can the Minister of National Defence indicate whether in fact such negotiations are taking place?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, there are no current negotiations specifically with regard to cost-sharing. I have outlined the procedure before. We do operate on a cost recovery basis but we do not charge for salaries or equipment, just for out of pocket expenses.

[Mr. MacDonald (Egmont).]

Mr. Grier: Mr. Speaker, in view of the fact that many municipalities would wish to take advantage of the services of the Canadian forces units, and in view of the fact these units are not being made available because the province has not requested them, will the Minister of National Defence or the Minister of the Environment take the initiative once again to consult with the government of Ontario in order to establish whether some mutually acceptable arrangement can be made in order that municipalities in Ontario can be assisted in this very important matter?

Mr. Davis: Yes, Mr. Speaker.

Mr. Richardson: Mr. Speaker, we are in the closest possible consultation daily and hourly with the government of Ontario.

HIGH WATER LEVELS ON GREAT LAKES—NATURE OF SITUATION

Mr. Don Blenkarn (Peel South): Mr. Speaker, my question is directed to the Minister of the Environment. Is it the government's opinion that there is no emergency on the Great Lakes in respect of the high water situation?

Mr. Speaker: Order, please. The hon. member is asking for an opinion and a question in those terms is not in order. Perhaps the hon. member might like to rephrase it.

Mr. Blenkarn: Thank you, Mr. Speaker. Can the Minister of the Environment inform the House what level the lakes would have to reach or what the government has in mind in respect of this problem on the Great Lakes?

Hon. Jack Davis (Minister of the Environment): As is well known, Mr. Speaker, we already face an emergency on the Great Lakes. It remains to be seen, however, as to whether it is a national emergency or a local and provincial one.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Peel South on a supplementary question, but we should then try to allow the hon. member for Témiscamingue to ask his question in order to complete the first round of questioning.

• (1440)

Mr. Blenkarn: Mr. Speaker, in view of the fact that the Great Lakes are clearly international waters is it not a matter of national importance that these international waters be a matter of federal responsibility?

Mr. Speaker: The hon. member is actually submitting an argument or representation to the minister. He has to assume that it has been noted. The hon. member for Ontario on a supplementary.

HIGH WATER LEVEL ON LAKE ONTARIO—REQUEST THAT PICKERING TOWNSHIP APPLICATION FOR ASSISTANCE BY ARMED FORCES BE RECONSIDERED

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a supplementary for the Minister of National Defence. In view of the recent communication by the township of Pickering to the department which indicated that the township was willing to assume the out of pocket expenses of the Department of National Defence in lieu of the fact that the province will not do so, will the minister reconsider that application for assistance.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have not seen that particular communication.

Mr. Speaker: Order, please. I indicated a moment ago that we should go to the hon. member for Témiscamingue.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

BENEFIT CONTROL—ALLEGATION THAT CERTAIN EMPLOYEES MAY BE GUILTY OF FRAUD—GOVERNMENT ACTION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, my question is directed to the hon. Minister of Manpower and Immigration.

In view of the fact that the interim report of the advisory committee on unemployment insurance mentions that some employers cheat by giving certificates of dismissal to employees who leave their work simply to rest, because they prefer not to work, could the minister tell the House what he intends to do to identify the employers and bring them to justice if necessary?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, in the first place, the advisory committee has not yet reported to me, contrary to some suggestions by the press. Second, if there is any evidence or incidents of fraud on the part of employers or employees in terms of collusion or otherwise, it is the intention of the commission to investigate and, where substantiated, to prosecute.

INQUIRY AS TO REPORT OF ADVISORY COMMITTEE ON ALLEGED ABUSES—REQUEST FOR TABLING

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, can the minister tell the House when the report of the advisory committee will be in his hands and whether he intends to table it in the House at the same time?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am just as keen as other hon. members to get the report. I have talked to the chairman of the advisory committee. There are many complex matters before the committee and they tell me they wish to have a few more days. It may be that it will come in two stages, first, an examination of the program and its concept at the national level and, second, an examination of the program as it is implemented in the field. They are conscious of the need to proceed quickly, but I hope hon. members will permit them time to complete their job.

* * *

GRAIN

ADEQUACY OF PROJECTED PLANTINGS OF WHEAT, BARLEY, RAPESEED AND FLAX TO MEET DEMAND—POSSIBILITY OF INCENTIVE

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the minister responsible for the Canadian Wheat Board. Since Statistics Canada has come out with a crop report indicating that wheat, barley, rapeseed and flax will be down this year and down from the minister's own recommendations and also from what the government feels is the necessary level to meet demand, I should like to ask the minister whether the government is contemplating giving any incentive in any form to ensure that adequate acreages of these crops will be planted this spring?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the hon. member is not accurately depicting the results from the Statistics Canada survey since the indications of plantings are significantly up in wheat, up in barley and very close to the same level for rapeseed as in the previous year. The figures are down from the suggestions we made in our March 1 letter, mainly because farmers intend to leave more land in summerfallow than we had suggested. This, of course, can still change depending on weather conditions in the prairie region. The fact is that the distribution of acreage between the various crops is very encouraging, particularly the very strong emphasis remaining on barley. There remains some time for further consideration by farmers of increased acreages in all crops.

Mr. Murta: Since the minister has raised the point that farmers will be planting approximately 24 million acres of wheat and since the government recommended that the figure should be approximately 28 million acres—I disagree with him on this point and also so far as barley is concerned—if the proposed plantings are followed by farmers, and since the amount cited by Statistics Canada will not be adequate to meet demands in the coming year, does the government intend to give any indication that it will increase the initial prices for Wheat Board grains and will it also give a further incentive to rapeseed producers for this coming year?

Mr. Lang: Mr. Speaker, we did already indicate an increase of 15 cents per bushel in the case of barley as a specific encouragement to the production of barley and as I said, the relationship of barley to wheat is very encouraging indeed. The hon. member again is making a mistake with regard to what we suggested to the farmers. If he reads the March 1 letter very carefully he will see we said they should plant a maximum of 28 million—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. members are already rising for supplementaries but perhaps they might allow the minister to complete his reply. I am not referring to the hon. member. The minister has the floor.

Mr. Lang: Thank you, Mr. Speaker. It is fairly important, I think, that hon. members understand that the March 1 letter indicated that there should be a maximum of 28 million acres of wheat. In other words, we were urging farmers not to go higher than that figure under any circumstances because of the need to stay in barley and rapeseed in a significant way. The total prices of grain, not the initial prices, of course are the main sign of encouragement to farmers with regard to the planting of grain. These prices are very good. There is every indication that they will remain very good, and I will continue to speak to farmers about planting a little more grain and putting a little less land into summerfallow this year.

Mr. Speaker: Order, please. The hon. member for Saskatoon-Biggar.

RAPESEED—SUGGESTED ESTABLISHMENT OF GUARANTEED PRICE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in view of the minister's expressed desire to increase the amount of rapeseed produced, may I ask him whether he is prepared to set up a support or guaranteed price for rapeseed that will make it as attractive to farmers as to grow crops such as wheat which have a support price in effect through the initial price?

Hon. Otto E. Lang (Minister of Justice): Any question of an initial price or support price for rapeseed would depend upon the disposition of a question to farmers about the manner in which they want rapeseed marketed. I am surprised, though, by the hon. member's statement because certainly in the last ten years or so rapeseed has given a greater return to the farmer than any of the other grains.

Mr. R. E. McKinley (Huron): I have a supplementary, Mr. Speaker. In view of the situation we find ourselves in Canada with regard to feed grain stocks and wheat, would the minister not consider making a public apology to western grain producers for his perpetration of the Lift program?

Mr. Speaker: Order, please. The hon. member for Shefford.

* * *

[*Translation*]

FINANCE

BANK OF CANADA INTEREST RATE INCREASE—GOVERNMENT POLICY—DISCUSSION WITH GOVERNOR

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the hon. Minister of Finance.

Can he tell us if the recent increase in the interest rates that the Governor of the Bank of Canada announced last week is altogether in line with the federal government's financial policy, whether the Bank of Canada had informed the federal government of its intention to increase interest rates, and whether this decision was taken unilaterally by the Bank of Canada?

Mr. Speaker: I have the distinct impression that this question was asked a few days ago. If I am mistaken, the minister may answer the hon. member for Shefford. If not, I shall recognize the hon. member for Edmonton West.

Mr. Rondeau: I should like to put a supplementary question.

I checked the answers given these past few days by the Minister of Finance and he surely did not answer that question because none was similar to mine.

Does the monetary or financial policy of the Bank of Canada concerning the increase in interest rates announced last week truly represent the monetary policy of the government or is it a unilateral decision taken by the Bank of Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it is the prime responsibility of the Governor of the Bank of Canada to which the government has found no objection.

[*Later:*]

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

Can the Minister of Finance tell us whether the Bank of Canada had given notice to the federal government of its intention to raise the interest rates, or whether this government has heard of this just like all of us?

Mr. Speaker: This is precisely the question which has already been put, but the minister may perhaps answer it again.

* * *

[*English*]

CONSUMER AFFAIRS

METHOD OF ESTABLISHING PRICES REVIEW BOARD

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs may I address my question to the Prime Minister. In view of the statement by the Minister of Consumer and Corporate Affairs last night that the government intends to set up a prices review board by the end of this month, would the Prime Minister advise under what aegis or what legislation this would be done, what the authority would be and how the board would be funded, or is parliament to see this legislation or the proposals for the conduct of the board before it rises for the Easter recess.

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I would not want to go any farther than what the minister stated last night when he indicated that the House would be seized with the measure and that mem-

bers would then see what form it would take. It would not be compatible with my decision to keep a low profile—

Some hon. Members: Oh, oh!

Mr. Trudeau: —if I were to try to scoop the minister on an announcement such as this.

* * *

FINANCE

REQUEST FOR ACTION TO ROLL BACK INCREASE IN MORTGAGE INTEREST RATES OR SUSPEND FOR STUDY

Mr. John Gilbert (Broadview): Mr. Speaker, I wish to direct a question to the Minister of Finance. On Monday of this week the hon. member for Oshawa-Whitby asked the minister whether the increase in bank rates would be reflected in increased NHA mortgage rates, and the minister assured him that there was no connection between bank rates and mortgage rates, and that in fact conventional mortgage rates had been going down during the last few months. In view of the announcement today that major financial institutions have increased their mortgage lending rates from 9 per cent to 9¼ per cent, would the minister take immediate initiatives to roll back this increase or, like the Minister of Communications did with respect to Bell Canada, stay the action of the banks and lending institutions until further study is made with regard to the increase?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, when I said there was no connection it so happens that turns out to be true. My understanding is that the NHA move was made prior to the announcement of the Bank of Canada, and there was no prior knowledge by the national housing administration of the increase in the bank rate by the Bank of Canada. As for rolling back rates, I have already dealt with that so far as it relates to the banks.

BANK OF CANADA INTEREST RATE INCREASE—REQUEST FOR REVIEW AND STATEMENT ON ECONOMIC POLICIES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. As the action which the Bank of Canada took last week has started a general movement toward the tightening of credit throughout the whole economy, does the minister intend to review this action which the Bank of Canada took last week and would he, at the earliest opportunity on motions, outline to the House just what economic goals and just what economic policies the government is now following in this regard?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the Governor of the Bank of Canada made it quite clear that the monetary policy of the bank and of the country remains expansionary. I said to the hon. gentleman the other day that when I appear again on my departmental estimates before the standing committee on Monday night, if there is no contrary engagement here in the House, I will be glad to expand on that.

Mr. Hees: Mr. Speaker, does the minister intend to try to convey to the House that he believes rising interest rates do not tighten up credit and that this does not constitute a tight money policy, in effect and in action, whether it is his opinion or not?

Mr. Speaker: The hon. Leader of the Opposition.

Mr. Hees: On a point of order, Mr. Speaker, I have asked a very important economic question which the minister has not answered.

Mr. Speaker: Order, please. The Chair has recognized the Leader of the Opposition.

Mr. Hees: Tight money Turner! Tight money Turner! Here we go again with tight money Turner!

BANK OF CANADA INTEREST RATE INCREASE—DROP IN PRICE OF LONG-TERM BONDS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. The other day he said in the House that the change in the bank rate would not be reflected in mortgage rates or in the interest rates structure generally. I would like to ask him whether he has taken notice officially of the fact that immediately following the increase in the bank rate the prices of long-term bonds fell, meaning that long-term interest rates went up immediately?

Hon. John N. Turner (Minister of Finance): I did, and so did the market, Mr. Speaker.

REQUEST FOR FREEZE ON INTEREST RATES ON CMHC LOANS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask the Minister of State responsible for housing whether, since increased interest rates are now being charged on money lent on mortgages, he would be prepared to freeze interest rates on all uninsured CMHC loans, that is, loans not guaranteed, to make certain that public housing and low cost housing remain unaffected, because rent increases are now eroding the purchasing power of those on fixed incomes, particularly old age pensioners, from whom we are getting thousands of letters?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I have already made clear to the House that rentals for senior citizens under the control of CMHC have been frozen, and I have written to the provincial housing agencies with regard to rental rates in public housing developments and sought their co-operation in seeing to it that there are no increases this year. I have been receiving favourable responses from the provinces. However, the interest rates charged by CMHC for the type of loans mentioned in the question are established in the act relative to the government's borrowing rates. That is determined by the legislation.

Mr. Woolliams: I hope I understood the minister—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Calgary North for a second supplementary on this subject and then the hon. member for Hamilton West because, from the number of supplementaries being sought on this subject, I suspect that we could again have a full fledged budget debate during the question period.

Mr. Woolliams: As a prelude to my question, I hope the minister is not suggesting that the rates are set out in the act. When the matter comes before the cabinet, for the rates to be set by order in council, will he take the position that these rates of interest on money to be lent for public housing and low cost housing under the new program he has been talking about will be frozen at a rate that will enable people on fixed incomes and pensions to be able to afford shelter?

Mr. Basford: Mr. Speaker, I think the beneficial interest rate charged by CMHC should be related to the government's borrowing rate. I would have much preferred to have an increase in the budget for very substantial subsidization of rents for senior citizens and public housing.

Mr. Speaker: The hon. member for Hamilton West.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the minister responsible for immigration regarding the very unsatisfactory state—

Mr. Speaker: Order, please. I apologize to the hon. member for Hamilton West. I have to interrupt him because the hon. member for Gander-Twillingate rises on a point of order.

Mr. Lundrigan: Mr. Speaker, on Monday and yesterday, and again today with the hon. member for Shefford, questions were raised with the Minister of Finance regarding a formal communication or sanction of the move by the Bank of Canada. I know Your Honour will realize that the question has been put to the minister before, but the minister has not given a clear answer whether the move means that a restrictive monetary policy is now officially sanctioned government policy. I think the hon. member for Shefford had a very legitimate question and the minister did not answer, or perhaps was not permitted to answer. I think it should be on the record whether this policy has been formally sanctioned in communications between the minister and the Governor of the Bank of Canada.

Mr. Speaker: I again apologize to the hon. member for Hamilton West. He has the floor.

* * *

IMMIGRATION

INQUIRY AS TO INTRODUCTION OF AMENDMENTS TO IMMIGRATION APPEAL BOARD ACT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the minister responsible for immigration. In light of the very unsatisfactory situation with respect to immigration and the accelerating number of appears, and in order to clear the air, would the minister advise whether in fact he has legislation prepared in order to deal with the appeal board, and how long has it been ready for presentation to the House?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as I indicated before the committee last Thursday, we hope to present legislation amending the Immigration Appeal Board Act in the very near future, the exact time depending on House business.

• (1500)

Mr. Alexander: Mr. Speaker, I have a question for the government House leader. The number of appeals has reached 840 per month, compared with 212 last September. Could the minister advise the House why priority was not given to the presentation of legislation dealing with the appeal board? Why has it been given such low priority in view of this accelerating crisis?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, there is no low priority attached to this item. As soon as the bill is put on the order paper we will make an effort to have it dealt with as quickly as possible. I do not think that will be likely before the Easter adjournment, but soon after that we ought to be in a position to deal with it.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, would the minister advise the House if this is the same legislation that was presented to the cabinet two years ago and was scuttled by the Prime Minister?

Mr. Speaker: Order, please. I believe the hon. member for Hamilton West has a further supplementary on this subject.

RESPONSIBILITY OF EMPLOYERS TO CHECK ON EMPLOYMENT VISAS

Mr. Lincoln M. Alexander (Hamilton West): With your indulgence, Mr. Speaker, it is a related question involving immigration. The minister has tried to clear up a problem that exists regarding employers. We understood that he was going to use a gentle hand with visitors but we found they were placed in jail. He said he would not use a heavy hand with employers. Can the minister advise the House of the situation respecting employers prior to the imposition of the regulations covering employment visas? I believe he has an answer which would clarify the situation.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the responsibility of an employer is that he may not knowingly employ a person who requires, yet does not possess, an employment visa. It has always been an offence to knowingly induce, aid or abet, or attempt to induce, aid or abet any person to violate a provision of the Immigration Act and the regulations thereunder. On the presumption that employers have not knowingly violated the law prior to March 31, 1973, it is not required that they go back through their employment records to check the legality of their employees prior to that date.

TRANSPORT

NEWFOUNDLAND—COMMITTEE RECOMMENDATION TO RESTORE RAIL PASSENGER SERVICE—REQUEST FOR GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the fact that the transport committee, under the distinguished chairmanship of the hon. member for Crowfoot, by an all-party vote last night recommended that the government restorate rail passenger service in Newfoundland, at the instigation of my colleague the hon. member for St. John's West, does the minister propose to take the necessary action to implement this all-party recommendation?

Mr. Speaker: Order, please. The minister might reply to the question, but the hon. member for St. John's East knows it is irregular to refer to a decision of a committee or to the proceedings of a committee until a report has been made. Perhaps the minister might be allowed to reply briefly to the hon. member's question which I believe is irregular.

An hon. Member: Say yes, Jean.

Mr. McGrath: Mr. Speaker, I would rephrase the question and, as a prelude, suggest to the minister that he confer with the distinguished chairman of the committee to find out what went on last night. Is the minister now prepared to expedite a study, which was commissioned by the department, into all phases of ground transportation in Newfoundland; and if that study has been completed, when will the minister report its findings to the House?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the physical location of the chairman of the committee has nothing to do with my relationship with him. Although I do not know exactly what the committee decided last night, there is no doubt that we will have to study, and ask the CTC to study, the restoration of railway service in Newfoundland.

* * *

FINANCE

ROYAL BANK OF CANADA—INCENTIVE TO PROSPECTIVE BORROWERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I should like to direct a question to the Minister of Finance. In view of the bribe of $25 offered by the Royal Bank of Canada to prospective borrowers of $1,000 or more, which was condemned by the Consumers' Association of Canada, can the minister tell the House whether he has investigated this practice and, if so, can he report to the House?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I believe the hon. member for Trinity raised that point a day or so ago. I relayed the position to the bank.

Mr. Nystrom: Would the minister personally urge the Royal Bank of Canada to stop this irresponsible action? Would he make a recommendation to the bank on behalf of the government?

* * *

STATUTORY HOLIDAYS

CELEBRATION OF NATIONAL HOLIDAY ON DAY OTHER THAN SUNDAY

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to address a question to the Secretary of State. In view of the fact that the most historic holiday we have in Canada, July 1, falls on Sunday this year, and the statute states it must be celebrated on the day on which it falls, can the minister tell the House and Canada on what day the holiday will be celebrated?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, the act also provides that when the day is a Sunday the celebration will take place on the following Monday.

* * *

EXTERNAL AFFAIRS

MARINE RESOURCES—GOVERNMENT POSITION AT NEXT LAW OF THE SEA CONFERENCE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct my question to the Secretary of State for External Affairs or to the Minister of the Environment, I am not sure which. Perhaps the minister responsible will answer. In view of the importance of the next Law of the Sea Conference, which will determine for many years into the future the distribution of our marine resources as well as the development of the mineral and petroleum resources on our continental shelf, is it the intention of the government to make a statement on motions in this House, when convenient, so that members will be aware of the stand to be taken by Canada on this important matter?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I think I can undertake on behalf of my colleague and myself to make such a statement, but it is for consideration whether it might not be more useful to give it in one of the standing committees. In any event, we would be prepared to make a statement.

[*Translation*]

VIET NAM—DISCUSSION WITH MEMBERS OF ICCS RESPECTING RECENT INCIDENTS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to put a question to the Secretary of State for External Affairs.

Following the incidents which took place recently in Viet Nam, could the minister tell this House whether he has had contacts, through diplomatic channels or otherwise, with representatives of Poland, Hungary and Indonesia, and if so, what have been the reactions of these countries?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have had some contact because I sent messages of sympathy to the countries whose nationals had been killed in the same helicopter crash. I have under consideration having discussions with their representatives here or through our representative abroad in those countries as to their reaction to this unfortunate tragedy.

[*Translation*]

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

Did the minister protest to the NLF and did he receive any apologies for this incident?

[*English*]

Mr. Sharp: No, Mr. Speaker. We have received from the representatives of the Provisional Revolutionary Government an explanation of the event which is the same as the one I gave in my statement to the House in which they claimed that the helicopter was off course and that there was an accident.

* * *

[*Translation*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—SUGGESTION THAT BUDGET BE DOUBLED

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the hon. Secretary of State.

In view of the fact that inadequacy of credits made available to the department in charge of administration of the Opportunities for Youth program makes it impossible for the minister to approve more than one-third of projects submitted, could he tell us whether he intends to call for an emergency meeting of the Cabinet in order to consider the possibility of doubling the amounts allocated to that program?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): No, Mr. Speaker, we are not.

* * *

GRAIN

DEFINITION OF "PRODUCER" FOR VOTE ON WHETHER FLAX, RAPESEED AND RYE SHOULD BE MARKETED THROUGH WHEAT BOARD

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I should like to direct a question to the minister responsible for the Canadian Wheat Board supplementary to a question already asked. In view of the mounting interest in western Canada in the forthcoming vote on the marketing of flax, rapeseed and rye through the Canadian Wheat Board, may I ask the minister what the definition or requirements of a voting producer will be?

[Mr. Wagner.]

Hon. Otto E. Lang (Minister of Justice): I cannot answer at this stage, Mr. Speaker. We are having discussions with various farm organizations concerning the nature of any questions put, and also the qualifications of voters. There have been suggestions as to two basic types, that it be a vote by rapeseed growers only, on the one hand, or a vote by all permitholders on the other. This is the issue to be resolved.

* * *

EXTERNAL AFFAIRS

VIET NAM—POSSIBLE WITHDRAWAL OF MEMBER NATIONS OF ICCS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question to the Secretary of State for External Affairs is supplementary to the one asked by the hon. member for Saint-Hyacinthe. Have any of the other countries represented on the International Commission of Control and Supervision suggested in any way that as a result of recent events they wish to withdraw from the commission or see it dissolved?

• (1510)

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. I have received no reports or representations of that kind. The commission, of course, is considering the implications of the tragedy for the operations of the commission itself, but that relates to the deployment of the teams.

* * *

CANADIAN RADIO-TELEVISION COMMISSION

REASON FOR REDUCTION IN NUMBER OF WOMEN MEMBERS AND THOSE WITH BROADCASTING EXPERIENCE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the Minister of Communications. What was the basis of the criterion that the minister used to reduce from two to one, out of a total of 15, the number of women serving with the CRTC, and to reduce from three to two the number of individuals with broadcasting experience?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, first, I must say that there is constant disruptions in agencies of this kind. We must always attempt to reach the most perfect equilibrium. I would add for the encouragement of the hon. member that vacancies sometimes occur in the CRTC as in other similar agencies. Even if, at times, there seems to be some disruption, the government keeps in mind that it must be remedied as soon as possible.

[*English*]

Mr. Nowlan: In view of the importance of the CRTC to the communications industry in Canada and the quasi-judicial nature of that body, would the minister check with the chairman of the CRTC so that he may assure the

House that all commissioners, both full time and part time, appointed to that body did not hold political office at the time of appointment or during appointment?

[*Translation*]

Mr. Pelletier (Hochelaga): Mr. Speaker, I think such control devolves upon the minister who makes recommendations to the cabinet, which makes the appointments. I am therefore responsible for this control in the case of the CRTC.

* * *

[*English*]

INCOME TAX

DEDUCTION FROM TAXABLE INCOME OF EXPENDITURES INCURRED TO REPAIR DAMAGE TO SHORELINE PROPERTIES

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Finance. Has the minister under active consideration a proposal to allow expenditures undertaken to protect shoreline property from erosion damage as an authorized deduction from taxable income?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will certainly take that representation very seriously.

* * *

AIR TRANSPORT

CUSTOMS PRECLEARANCE—GOVERNMENT POSITION

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is for the Minister of Transport. Is the minister in a position to indicate whether he will accede to Air Canada's request to eliminate customs pre-clearance for all airlines on April 29 at Toronto, Montreal, Winnipeg and Vancouver? If the minister has not yet made a decision, is he taking into account the substantial inconvenience and expense that will be caused to the travelling public and to Canadian business if this request is approved?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is a matter we are now discussing. The president of Air Canada is now on his way to Montreal. I hope that in a few days I can give a more precise answer to the House.

* * *

AIR CANADA

RESTRUCTURING OF FINANCIAL DIVISION—REQUEST FOR DELAY IN DECISION WHILE EMPLOYEES NEGOTIATING

Mr. John Lundrigan (Gander-Twillingate): I have a supplementary question, Mr. Speaker. I have given the minister notice of my question. As Air Canada has just completed a study which could result in the restructuring of the company's financial division, while at the same time the Canada Airline Employees Association is involved in negotiations, will the minister assure the House that no restructuring will take place while these negotiations are in progress?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I thank the hon. member for giving me notice of his question. However, I cannot see very well the relationship between the two matters he has mentioned. I will make sure that this difficulty does not exist, because employee negotiations and the restructuring of finances are two different matters.

* * *

[*Translation*]

HEALTH

INDEMNIFICATION OF THALIDOMIDE VICTIMS—ALLEGED STATEMENTS BY MINISTER

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

On March 12, the minister stated that certain cases of thalidomide victims in Quebec had been settled by the payment of $3,600 in compensation, and that this compensation did not seem high enough.

On April 4, the minister made a statement on cases yet to be settled, but he made no mention of those where the settlement seems clearly too low and discriminatory.

Can he tell us today whether he has ordered an inquiry into the cases that were settled unfairly?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I never made the first statement for the good reason that I know nothing about the matter.

* * *

[*English*]

NATIONAL DEFENCE

CAMP VERNON—ACCIDENTAL DEATH OF TWO CHILDREN FROM EXPLOSIVE DEVICE—ACTION TO PREVENT SIMILAR DISASTER

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of National Defence. In view of the fact that concern has been expressed by residents of Vernon, British Columbia, that proper precautions have not been taken to seal off the Camp Vernon training range to prevent further dangerous accidents similar to the one that killed two boys the other day, will the minister have this matter further investigated and make sure that every precaution is taken to provide maximum safety in the future?

Hon. James Richardson (Minister of National Defence): The answer is yes, Mr. Speaker. I have told the House that the RCMP are investigating, and we are co-operating fully.

Mr. Speaker: The hon. member for Humber-St. George's-St. Barbe.

Oral Questions

VETERANS AFFAIRS

BASIC RATE OF PENSION—GOVERNMENT POSITION ON JOINT STUDY REPORT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I am getting my monthly nibble. My question is for the Minister of Veterans Affairs. In view of conflicting answers given in the House last week concerning legislation arising out of the joint study report on the basic rate of pension, and the fact that the House leader indicated that legislation would not be introduced before the Easter recess, would the minister make a statement on motions before the Easter recess outlining the government's position on this report?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, to answer the hon. member's question, as I indicated to the House last week this question is now before the government. In keeping with government policy, when I have official information it will be released to the House in the normal way.

* * *

TARIFF BOARD

QUALIFICATIONS OF RECENT APPOINTEE

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that the Tariff Board is a quasi-judicial body that is of significance to the economy of Canada, can the minister inform the House of the qualifications of the recent appointee, Mr. Deachman? How is he qualified to serve on the board?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, Mr. Deachman has been a great public servant—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): —who developed his judicial qualities to a very high degree in this House. As a matter of fact, he is replacing a very good former Member of Parliament who was appointed by the right hon. member for Prince Albert.

Mr. Knight: Mr. Speaker, may I direct a supplementary to the Minister of Finance. Can he inform the House whether within his department there is a contingency plan to train public relations men in basic economics?

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Speaker, I think that is a very good idea and I would be very pleased to enrol the hon. member as one of the first trainees.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We have just about reached the end of the question period. I had hoped that one or two more questions could be asked without supplementaries before we call orders of the day and proceed with a very important item of business which I know hon. members are anxious to discuss.

[Mr. Speaker.]

[*Translation*]

FLOODS

QUEBEC—REQUEST FOR FINANCIAL ASSISTANCE

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

In view of the damages caused by flooding in the province of Quebec and elsewhere, and since a spokesman for the Quebec government appeared to imply that it was possible to get help from the federal government to make up for such losses, has the minister received from the government of Quebec an official request for financial assistance?

[*English*]

Hon. Jack Davis (Minister of the Environment): Not yet, Mr. Speaker.

* * *

SHIPPING

DAMAGE TO SHORELINE PROPERTIES ON LAKE ONTARIO AND BAY OF QUINTE BY WASH FROM LAKE VESSELS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of Transport. It is another high-water question but it pertains to his department. I have received complaints from people along the shores of Lake Ontario and the Bay of Quinte that the wash from lake vessels under full speed is damaging shoreline properties already vulnerable because of high-water levels. In many cases the wash from these ships is destroying the work already carried out for the protection of buildings and property. Would the minister order that all ships reduce speed within a certain distance from shore, in this emergency situation?

• (1520)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, last week I issued a communiqué on this matter. I do not know whether it covers the exact area referred to by the hon. member, but I will check into it so that ships do not destroy the shoreline.

Mr. Speaker: Order. The Chair will recognize the hon. member for Prince George-Peace River and then proceed to return to motions.

* * *

HARBOURS

PRINCE RUPERT, B.C.—PORT DEVELOPMENT STUDIES—REQUEST BY B.C. NORTHERN DEVELOPMENT COUNCIL FOR INFORMATION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of the Environment. Has the minister received a request from the Northern Development Council of British Columbia for information concerning studies carried out by his department in connection with port development at Prince Rupert? Have

studies been carried out, and has the minister sent a reply to the Northern Development Council?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, studies have been carried out. I do not recall having received a request from the development council which the hon. member has in mind, but I will check this and send them copies of the studies.

Mr. Speaker: Orders of the day.

Mr. Baldwin: Mr. Speaker, we have had some discussion about the matter I raised earlier. It is hoped that the following might appeal to the House. As there will not be enough time today for hon. members to be advised of all the facts on this very interesting subject, it has been suggested that the first speaker for each party might speak for half an hour and all other speakers for 15 minutes. As I understand it, the government will undertake to bring the matter back for one hour's debate, hopefully at the same time as the motion standing in the name of the hon. member for Vancouver-Kingsway, at which time members may be able to come to a decision as to what they want to do and whether there will be a vote.

Mr. Howard: Mr. Speaker, I accept the first part of the suggestion but I am reluctant to accept the idea that we come back for one hour's debate or set a time limit on the subject matter. I am reluctant to accept the suggestion that if it is talked out tonight there should be that restriction if it is brought back as a result of government initiative.

Mr. Speaker: There is apparently agreement as to the length of speeches. If there is unanimous consent, it will be so ordered.

Some hon. Members: Agreed.

Mr. Speaker: The motion has already been put. The hon. member for Kingston and the Islands.

ROUTINE PROCEEDINGS

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

The House resumed consideration of the motion of Miss MacDonald (Kingston and the Islands) that the second report of the standing committee on Indian affairs and Northern development, presented to the House on April 4, 1973, be concurred in.

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I indeed feel privileged to have the opportunity to move this motion to concur in the second report of the Standing Committee on Indian Affairs and Northern Development. It is my hope that the government will allow this motion to come to a vote.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): The subject we are discussing today deals with the concept of aboriginal title. Today, Mr. Speaker, is the first time this vital matter has been debated in the House; the first time in over 100 years that it has received the attention and consideration of the House as a whole. Why is this? Is it because it was not considered of significance and importance in our earlier history? No, indeed. It is because this is the first time a government has failed to recognize the concept of aboriginal rights and has rejected the concept outright.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): Previous governments may have failed to fulfil their obligations to the hundreds of thousands of Indian people, but they never questioned the principle. Not until 1969, following the introduction of the government's white paper on Indian policy when the minister stated that aboriginal claims to land were not realistic, was a Prime Minister of this country to say of this question, and I quote the Prime Minister (Mr. Trudeau):

> Our answer, it may not be the right one and may not be the one which is accepted . . . our answer is no.

The issue of aboriginal rights is tremendously important. This is not a fad; this is a fact. By our action in this House we acknowledge the significance and importance of aboriginal rights, not only to members of this House but also to the hundreds of thousands of native people in every province and territory of this country. It is these native people, exhausted with constant questions of what aboriginal rights mean to them, tired of telling us of their attachment to the land which once fed, clothed and housed them, who are watching with interest what we do and say in this House. It is incumbent upon us, therefore, to clarify the confusion which has surrounded the whole question of aboriginal rights in the past few years. Simply stated, aboriginal rights, native title or whatever expression the government is comfortable with is simply the right of an Indian tribe or band to use and occupy their traditional lands.

In recent weeks the government has elaborated on its stance. It has elaborated on, but not clarified, its position. For instance, the Prime Minister said at the time of the Nishga judgment:

> Perhaps you had more legal rights than we thought you had when we did the white paper.

The Progressive Conservatives have no such qualifications—no ifs, no ands, no perhaps's. We will not shirk our responsibility by saying we are merely thinking about the concept. We give wholehearted recognition to the concept of aboriginal rights. I may say, we deplore the failure of the present government to boldly face this issue.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): The Progressive Conservative Party undertakes to settle fairly the outstanding aboriginal claims of Canada's native people. We intend to work toward a negotiated settlement of disputed treaty and aboriginal claims, and we will do so in full and fair consultation with the native peoples involved.

We should not confuse the issue before this House today. What we are debating today is recognition of the principle of aboriginal rights. We are not debating the machinery that will have to be established to work out these claims, the details of settlements involved, the kind of research that will have to be carried out, who and how many persons are involved or the length of time that will elapse before all claims are settled. None of these important aspects will be solved overnight. But they cannot even begin to be solved until the underlying, fundamental principle of aboriginal rights is accepted—and that is what we are debating today.

Let us take a brief look at the historical perspective of this question. The concept of aboriginal rights or title was developed in the colonial context of North America. The first major colonial power, Spain, did not initially recognize native land rights but gradually came to understand that recognition was necessary on practical and moral grounds. In the sixteenth century, Spain enacted its laws of the Indies which established clear, legal recognition of Indian aboriginal land rights. The leading American legal scholar, Felix Cohen, considered that the recognition of aboriginal title in the United States had its origins in the Spanish precept.

It is clear that the recognition of Indian land rights goes back to the early periods of colonial settlement and represents practical experience that non-recognition led to a real sense of injustice on the part of the native which endangered colonial settlement. Today, that real sense of injustice undermines any attempt to develop programs which can meaningfully respond to the problems of native communities of Canada.

• (1530)

The concept of aboriginal title which was developed in the context of North America was later applied to other colonial areas. The Prime Minister, the Minister of Indian Affairs and Northern Development (Mr. Chrétien) and the Indian Claims Commissioner, Dr. Lloyd Barber, have all publicly praised the native policies of New Zealand. The concept of legal aboriginal land rights was fully recognized in New Zealand and, as a result, a better foundation for race relations was laid there.

In Australia we see the other face of British colonial policy—a denial of land rights and a refusal to make treaties. This has led to public demonstrations and the need for reopening the issues of aboriginal land rights there. The new commonwealth government in Australia has appointed a commission to make recommendations on the entire question of aboriginal land rights. There is clear evidence that a policy which fails to recognize aboriginal land rights sows seeds of bitterness and distrust.

All we can do, to quote a phrase the Prime Minister often uses, is to try to be just in our time. We must, in our time, attempt to redress the omissions of the past and lay foundations for the future, based on recognition of real legal rights of native people to their historic lands.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): Let us not try to hide from the fact that as a nation we have proudly proclaimed that we have recognized Indian land rights. Let me quote from a new publication of the Department of Indian Affairs, a booklet entitled "The Canadian Indian—A Brief Outline."

> Early in the settlement of North America, the British sovereign recognized, as a matter of policy, an Indian interest in the lands they occupied—which could be extinguished by agreement with the Indians and only to the Crown.

This is similar to statements made in the past by officials of the Department of Indian Affairs in testimony before joint committees and in written statements by the department.

Over and over again during the treaty period in the west, the commissioners speaking for the crown, and the orders in council appointing the commissioners, refer to an Indian title which had to be extinguished. Mr. Justice Hall, in his judgment in the case of *Calder v. Attorney General of British Columbia,* states that if treaties were not designed to extinguish aboriginal rights, they were a fraud on the part of the government, and, he said, that was not to be presumed.

The treaties stand as a clear recognition of the aboriginal rights of the Indian people who signed them. They have not always been honoured or fulfilled, but the recognition is there. There are significant areas in this country where no treaties were signed and no reserves established for native communities. Much of this territory was covered by the royal proclamation of 1763 which, by its wording, is a clear recognition of aboriginal rights. It does not purport to create the rights; it assumes the rights exist. I quote:

> And whereas it is just and reasonable and essential to our interests and the security of our colony that the several nations or tribes of Indians with whom we are connected and who live under our protection should not be molested or disturbed in the possession of such parts of our dominions and territories as, not having been ceded to or purchased by us are reserved to them or any of them as their hunting grounds—

According to Mr. Justice Hall, the royal proclamation applied to Hudson Bay territories, or Rupert's Land, and to lands west of the continental divide. Thus we see that treaties which were entered into as a recognition of native title to the land, and the proclamation of 1763 which assumed the existence of aboriginal rights in vast areas of the country not covered by treaties, provide the legal basis for this concept. The federal government was to remain the trustee for this concept, for when the British North America Act was written, "Indians and the lands reserved for Indians" were included under section 91 which sets out the exclusive legislative authority of the Parliament of Canada.

So we see the historical position of the federal government was always one of recognition of aboriginal title. This was always the position,—that is, until the government policy statement of 1969. That statement was considered unjust and threatening by Indian people all across Canada. We are only going to make progress in this difficult area if dealings with the native people are placed on a firm and clear basis and not on the shifting sands of temporary policies and programs which are viewed by the government as gifts which can be given or withheld.

I would like to turn now, Mr. Speaker, to some of the convoluted interpretations this government has brought

to our clearly defined historical acceptance of aboriginal rights. As I said, the government has elaborated on its stance in recent weeks but still has not clarified its position. If anything, it was further muddled by the appearance of the minister of indian affairs on a national television show last Sunday. At that time he seemed to be seeking a definition of aboriginal rights. He made it clear he would like to hear from the other parties—and he is hearing from them today.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): I find it ludicrous that a man who has been minister of Indian affairs for five years should have to ask others for a definition of aboriginal rights. What has he been doing for the last five years, if he hasn't learned that? On the telecast to which I referred, the minister said we cannot have a national aboriginal rights policy because different legal situations exist. He might not be able to adopt a national aboriginal rights policy, but let me tell the minister that every government down through the years has recognized the existence of aboriginal rights. How else can we interpret what has gone on in the past?

Mr. Alexander: Right on.

Miss MacDonald (Kingston and the Islands): Some of the rights have been extinguished, others have been abrogated; but their existence was never before denied. However, the government, as the minister said on Sunday on television, is not prepared to present its current position, though it has abandoned the 1969 policy paper it tried to force on the Indian people. The minister told us he is devising a position which the government is now analysing. In the meantime the native peoples wait, and hope to be consulted. What we are seeing in the interim is a series of ad hoc arrangements with no over-all thrust. The government is content to hide behind a smokescreen of individual arrangements, ignoring the fact that Indians, through their brotherhoods and national councils, have repeatedly requested recognition of aboriginal rights.

I would like to mention briefly, Mr. Speaker, the minister's comments at that time in regard to the James Bay situation. He clearly stated in the TV broadcast that the rights of the James Bay Indians were "not based on the large concept of aboriginal rights". He did, however, state that they were basing their claims on the royal proclamation of 1763. Mr. Speaker, if the royal proclamation of 1763 is not a clear recognition of aboriginal rights as proven earlier—as stated by the Supreme Court of this country—what else is it? How can the minister say the James Bay Indians are not basing their claims on aboriginal rights when they point to the royal proclamation of 1763 as one of their guarantees?

Time and again throughout the television program the minister referred to the rights and responsibilities of the provincial government in the James Bay project. I would like to hear him refer just once to the constitutional responsibilities of the federal government to the James Bay Indians. He has not once commented on it or dealt with it. He has evaded the issue, avoided, abdicated, skirted around and brushed aside the fact that the government has constitutional responsibility for the James Bay Indians and their claims as aboriginal citizens. He retreats behind grants of money to pay court costs and the explanation that he might be regarded as paternalistic if the government tried to exercise its constitutional responsibility. Paternalistic—when you have a constitutional responsibility involving the way of life and continued existence of a people to uphold!

• (1540)

The minister has the audacity to say, and I quote: "If the Indians win, you know, the Quebec government will be in a very difficult position". Let me tell the minister that if the Indians win, it is because they and the courts recognize the federal constitutional position, something that the federal government of this country has refused to do. And let me further advise the minister not to spend his time worrying about the position of the provincial government; it is the federal government which will be in a tough spot trying to justify its action or, more importantly, its inaction.

The minister also used this TV appearance to lecture the standing committee about its attitudes. The minister claimed outside the House—not to the committee itself or to the House but outside the House to the national media—that the committee is irresponsible in its attitudes. How is it irresponsible? I suppose it is irresponsible because it seeks to reaffirm the concept accepted in this country since 1763—over 200 years ago—and recognized as a valid concept in this country until 1969. And for that he considers the committee irresponsible.

Has the minister really looked at the resolution? We have recommended the recognition of the concept of aboriginal rights as set out in the paper entitled "Aboriginal Title" presented by the National Indian Brotherhood, which says that where treaties have not extinguished aboriginal title, settlements be made; and that where fair and reasonable compensation has not been provided under the treaties, the original terms be relied on.

Is the minister not prepared to rely on fair treaties? Is that what he is saying? Because if it is, it is about time he considered his own responsibility as a minister of the Crown. The minister might consider the committee irresponsible, but was he not being irresponsible in some of his statements on television in dealing with this highly emotional and sensitive issue? What sort of game is the minister playing when he makes statements like, "If it means we have to renegotiate all the treaties in Canada, there are some cities that perhaps have been built on land that is perhaps not Canadian land"? Who is making such claims? None of the responsible Indian leaders I have been talking to. What is he seeking to do by such extreme statements? Is he trying to create fear and uncertainty among Canadians in order to produce an over-reaction in the country among people who are not sure of the concept themselves because the government refuses to make its position known? The minister must know how easy it is to inflame prejudice.

Further, he said on that program, "There are Indians in B.C. who say B.C. is all Indian land and there should not be a white man there". What kind of irresponsible comment is that? He does not document that statement. Has the minister looked—really looked—at the British

Columbia land claim submitted by the Union of B.C. Indian Chiefs and which has been sitting on his desk since last July having had no formal answer or analysis? I know he has talked to the Union of B.C. Indian Chiefs. I also know that the Prime Minister has said, "Perhaps you have more legal rights than we thought you had when we did the white paper". But what kind of answer is that? Has he really looked at the moderate, reasonable position put forward by the Union of B.C. Indian Chiefs? It is not the type of extremist statement he attributed to B.C. Indians on national television. Here are some quotes from their brief:

> We are asking for compensation for loss of those rights of occupancy and use of lands for which loss we have never received compensation and for adjustment of the compensation in those few cases covered by treaties where the compensation was inadequate.
>
> We rely on the sense of justice of the Canadian people and believe that Canadians will insist that their government recognize and deal with our claims because it is just. We have been deprived of valuable rights which we used to enjoy exclusively and of right, and have been deprived of them without compensation. That is not just.
>
> We have not set a total value on our claim. Our suggestion is that the claim be accepted in principle and that machinery be established by which it can be valued in detail. And that an award or awards be made of the amount so established.

That is what I call a responsible statement. We were pleased when the government agreed to arrangements for a negotiated settlement with the Yukon Native Brotherhood. Their claim was presented in February. The B.C. claim was submitted last July and they are still waiting.

If the minister wants further indication of the responsibility of the Indian organizations, perhaps he has read the statement to the committee last night of the Federation of Saskatchewan Indians, who said they seek redress for unfulfilled treaties through negotiated settlement via an appeal to parliament for fair and reasonable compensation. Their presentation was heartily applauded by all members of the standing committee. And what did it basically involve? A recognition of aboriginal title and compensation for those reserves which have been lost to them over the years, 98 such reserves, regardless of their original treaty rights.

Let me briefly commend the chairman of the committee, the member for London West (Mr. Buchanan), for his clear and forthright statement in London ten days ago when he said that the federal government should recognize the claims of Canada's aboriginal peoples to lands never ceded to the white man through treaties. The native people have a moral claim the government must recognize, the chairman said. I say he is a credit to his party and his committee.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): That is what we have been talking about—the recognition of the concept so long accepted which will culminate not tomorrow, next week or next year but over a long period of negotiation. In our treaties, under our revered British jurisprudence and through Canadian court decision this valuable concept was never in doubt until this government's white paper of 1969.

[Miss MacDonald (Kingston and the Islands).]

Mr. Speaker, I ask you, what are the alternatives before us? One is to continue the present system. This involves making a people increasingly dependent on a giant bureaucracy which, regardless of its good intentions, has not produced any long-term solutions to an increasingly important issue or seen any significant maximization of the potential of our native people. Are they satisfied with their present status? Are we? Why should they suffer a mortality rate five times the rate for all Canada? Why should their average life expectancy be half that of other Canadians? Their housing is hopelessly inadequate and overcrowded. Their school drop-outs are double those of non-Indians. Their unemployment rate is 80 per cent during the winter and 60 per cent in the summer. Surely the costs, social costs like these, are far more difficult to bear than the settlements the native people seek.

I express my thanks and congratulations to the Department of Indian Affairs and Northern Development and to the Secretary of State for the encouragement they have provided in helping the native organizations create the remarkable cadre of leadership which is now emerging. The organizations are now of a calibre where they can produce their own research, their own negotiating teams and their own goals for their people.

• (1550)

There is a second alternative. We must see the settlement of native claims as giving the possibility for laying honourable and decent foundations for the future of native communities. It gives us the chance to put the relationship of the government and the native peoples on the basis of rights, not charity. It gives us the possibility of making social capital available for native communities themselves, under their own control. That gives hope for viable, proud and functional native communities, which surely is the common goal we must all strive for in this country.

Mr. Frank Howard (Skeena): Mr. Speaker, this is indeed an historic day because, so far as anybody knows, it is the first time a formal proposition has been made to the House in respect of aboriginal rights on which there can be a vote. I think we should appreciate the decision made in the country on October 30 last. At that time the people of this land said they did not want a continuation of the power play concept in parliament and placed upon us the obligation to search ourselves diligently for solutions to many of the long-standing problems people have had, but which have been ignored, and the need to recognize that aboriginal rights fall within this category. Had it not been for the decision of October 30 which resulted in a House of Commons of this construction, I suggest we would not be dealing with this subject matter in this way.

The competition for office that took place prior to the last election resulted in the Conservative party moving from a position of aloofness in this matter to one of commitment.

Some hon. Members: Oh, oh!

Mr. Howard: Hon. members say "Oh, oh" about that, but if they look back a number of years they will find that the Conservative party was aloof and apart from this simple question. As a result of that campaign and the election of

October 30, the Liberal party moved from a position of absolute rejection to one of qualified consideration. That is not moving very far. None the less, it moved them from the position of objecting to the recognition of aboriginal rights.

I shall read into the record a statement issued on June 12, 1969, about two weeks before the government white paper on Indian affairs came down. It was introduced and made public in an attempt to influence the government and the minister in the development of that so-called white paper. I will read a few extracts from this policy statement issued by the New Democratic Party. I will not read it all, but it is all available. The words I intend to quote have significance today because they have an even stronger ring of truth today than they had in 1969. The statement commences as follows:

> In dealing with Indian affairs today we must do so with a more intense look at history than has been the case in the past . . . in looking forward and providing redress for the multitude of grievances which our native Indian people have, we must always remember the starting point of those grievances—
>
> The one basic area in which conflict arose was that which related in a general sense to the culture of the native Indian and how that culture was defeated by the European. Between the two groups there was a very fundamental difference in the concept of nature, of land, of the resources. The native Indian had a spiritual and communal concept of life which the invaders could not have, for their quest was to conquer and to claim and to own all that they came across in the name of their mother country and/or their religion.

It continues:

> The treaties imposed one culture and concept of land on top of another and replaced it.
>
> The treaties were never drafted, prepared or interpreted from the point of view of the native Indian. In fact, his point of view was never really considered—

It continues, but that is the basis of the declaration we made at that time about the need to recognize aboriginal title or rights. I do not want again to go into the statement of the Prime Minister (Mr. Trudeau) in the fall of that year, in which he said absolutely no. It has been quoted by the hon. member for Kingston and the Islands (Miss MacDonald) and the minister and the government know of it. I think it is worthwhile to put on the record a statement which the Minister of Indian Affairs and Northern Development (Mr. Chrétien) made in June of last year after he had an opportunity to reflect upon the 1969 white paper position. When speaking of the rejection by the Indian people of the white paper he had introduced on June 26, he said:

> They rejected them on the grounds that they gave no recognition to special rights and status for Indians.

He then made statements as to reasons for the rejection of the white paper and wound up with this very significant declaration:

> If the government had shown willingness to entertain Indian concepts of aboriginal rights and had in place a cultural program to strengthen and reinforce Indian pride in self, their attitude to the proposals might have been different and probably much more favourable.

That was a recognition, in June of last year, by the minister that he and his government had been wrong in 1969 in rejecting the idea of aboriginal rights. On this very day the alternatives or choices available to us are these: First, we can stand and be counted in a vote on this particular motion, declaring ourselves in favour of aboriginal rights. We can recognize aboriginal title. Second, we can continue to debate the motion till the hour of six o'clock, at which time it will slip from its position on the order paper and come under the authority of government orders. Then at the initiative of the government it will be brought forward again or buried forever. Taking into account what happened in the committee on the night this motion was passed there, I accept the prospect that it will be talked out. This will be an indication that the government and the whole of the Liberal party do not want to stand and be counted on the question of aboriginal rights.

I make that assumption on the fact that the hon. member for Laprairie (Mr. Watson), on the day this motion was before the committee, put his hand on the paper presented by the National Indian Brotherhood and said, "I can accept this. There's nothing wrong with this, and I agree with it". The hon. member for Kamloops-Cariboo (Mr. Marchand) did the same thing; he said, "Certainly we can all agree with this". Then when the vote came in the evening, the hon. member for Kamloops-Cariboo denied his own inheritance by abstaining from the vote on a so-called, but spurious, procedural ground. I suggest the action taken then by Liberal members of the committee will show itself again today in the fact that those hon. members will talk out this motion. We are prepared to accept that that might happen.

• (1600)

I am prepared right now, if the House would agree, to sit down and we could vote. I will gladly do that. Someone suggested that from the other side. If I could obtain a commitment now from hon. gentlemen on the Liberal benches who were silent on that proposition, could we put the question now, Mr. Speaker, with unanimous consent? The Minister of Indian Affairs and Northern Development says no. I will gladly relinquish my time to the minister so that he may speak for the whole 40 minutes. We could vote after he had spoken. Is there agreement to that?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Howard: The minister again says no. An hon. gentleman over here says no, too. He said no in the committee, but never mind that. They say no. It is on the record that the Liberal party does not want to vote on this. They are afraid of it and want to continue to talk out of both sides of their mouths about aboriginal rights.

An hon. Member: Another 100 years.

Mr. Howard: I hope they do not last that long. If we look back, history will show some fundamental things that have happened in respect of aboriginal title. When the explorers from Europe came to this land, they brought with them a different concept of land title than that which existed and which was in the minds and understanding of the native Indian people who lived in this land. The European brought with him the concept of land ownership that

was mixed up in a piece of paper and attached to the individual. Before that time and since that time, because this feeling still exists among the Indian people, on the question of aboriginal rights and title—and that is what this question is all about—the concept the Indian person had and still has about land is that it is a communal ownership and we are only custodians of that land for future generations. We only have the use of it and its resources while we are here, and have no right to destroy it in our use of it and thus deny future generations the same approach to it that we have.

There was a spiritual feeling about land. The feeling the native Indian people had about land was one that made it in tune with nature. There was a feeling, which varied from tribe to tribe, of an interchangeability of life and various forms of life. There was a religious feeling about land, about aboriginal title and about the use of land and its resources. There was respect for life forms which does not exist in our society in North America today. There was a companionship about the land, about what it encompassed and about the life of the human being.

When the European came with his greediness, his pieces of paper, his guns and his different religion—with missionaries paving the way—he brought into force a more demeaning concept of land ownership and title. The native Indian person, in the eyes of the explorer, the European, was a subhuman; he was not considered to be a person. Some while ago I was reading about the time that British Columbia was about to enter confederation. I read the debates which took place in this House of Commons prior to 1871. The debate that took place right here revolved partly around the number of Members of Parliament to be elected from the new province of British Columbia, and the number of senators to be assigned to it as it entered confederation.

The people who stood up in this House and debated whether or not the relationship in respect of the number of Members of Parliament and senators to the population of British Columbia was correct or not, in all instances said they were excluding the native Indian population in that province because they had never been counted as people in determining representation in the House of Commons. That was the attitude prior to 1871 about a group of people who have far more integrity and pride than most members in this chamber. They have greater respect for their history and their inheritance than many members in this chamber. But that was the attitude which existed at that time. They were looked upon the same as one looks upon the trees in the forest—as a resource, not as human beings.

Since that time society has perpetuated this attitude, has carried it forward and has ignored the rights of the Indian people in the process. I say that surely today we are more enlightened. Surely today we have more respect for the positions and rights of human beings. Surely we have an obligation today to deny those ancient mistakes. Surely we have an obligation to our integrity and to that of the native Indian people to correct those abuses and the neglect of people.

A responsibility rests upon the Minister of Indian Affairs and Northern Development, a responsibility set out within the British North America Act and a responsibility set out in the proclamation of George III in 1763. There was a responsibility on the founding fathers of this nation to carry into effect and to respect the principal declarations contained within the proclamation of 1763. Yet the founding fathers of this nation ignored them. However, just because that happened is no reason for the minister continuing to ignore his bounden responsibility, under the constitution, to the Indian people.

We cannot return to the past; we cannot go back 100 years or 200 years and start at the bottom. It is not possible. We are here today. This is where we must commence. We cannot erase the calendar, turn back the clock or say we wish it were otherwise. I think we must admit a couple of very simple, historical facts of life, and in admitting those we will recognize aboriginal title. I think we must recognize those historical facts of life, not in a legal sense as the Prime Minister demands and as the Minister of Indian Affairs and Northern Development apparently demands, but in a moral sense as our conscience demands. We appeal to the government on that basis.

It is an historical fact of life that aboriginal rights and aboriginal title to land were not extinguished in some areas. There were no wars, no positions and no treaties. They still exist. If we recognize they still exist, that is all this motion asks us to do. It is a fact of life in those areas that it was simply a matter of imposition and encroachment by the European on the area under the domain of the native Indian. It is also a fact of life that the treaties are extremely sad documents. They were written in a language which the native person could not understand and could not read. They were interpreted to him by an interpreter, and he was asked to sign something he could not read and which was written in a language other than his own. He had no idea what they contained except his bounden faith and trust in people that what he was told was what would be contained in what he signed, or to what he put his "X". History shows that he was misled into thinking something was going to take place, and it did not.

It is a fact of life that the treaties imposed, without explanation, one concept of land on top of another. The treaties were endorsed and supported by the army and the church, with all the force and the power that the Crown, the kings and queens of England, could muster at that time. If the treaties extinguished any land titles, they extinguished them by theft, by subterfuge, and nothing else. And where there were no treaties, it was just straight theft, with indifference to the position of the Indian people.

• (1610)

This motion simply asks that we declare that we recognize aboriginal title and rights. The minister, in this program on Sunday, asked the opposition to tell him what they think about aboriginal rights, to give him some guidance and to spell it out for him. That is insulting and presumptuous on the minister's part and carries with it the old concept of his party and his government, that he knows best what is right for the Indian people.

I am not the least bit interested in trying to spell out aboriginal rights, because I do not think it is the function of this parliament to make one-sided decisions and then

approach the Indian people and tell them, "These are our decisions. Do you agree or not?" We have been doing that for hundreds of years. I say we should simply recognize the historical facts which I mentioned previously. Aboriginal rights existed. They were not extinguished. We should sit down honourably with the people affected and identify with them what those rights are, spell them out and seek to negotiate with respect to them.

Parliament today is in an unique position, a position that as far as I know it has never before been in. Parliament has before it an opportunity to recognize the abuses and the neglect of the past and to set a course of redress for the future. The burdens arising from our history cannot any longer be carried on our conscience. We must no longer permit ourselves to hide from our obligations nor to deny the spiritual and cultural inheritance of the native peoples. Qualified consideration of aboriginal rights, of aboriginal title, is not enough. It is not strong enough; it is not honest.

This parliament, today, without seeking to talk the matter out, without seeking to go beyond six o'clock and to deny an opportunity for the matter to come back again only if it suits the convenience of government, must demand of itself the unselfish act of searching its own conscience, its own heart, its own integrity and declare that the native peoples of this land have aboriginal rights, have an aboriginal title. Surely nothing less than that kind of honourable declaration should be expected from a group of men and women who themselves carry the title of "honourable."

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to say a few words on this debate, which seems to me to be very important, for as I listened to the two previous speakers and to passed debates of various length, especially since the beginning of this session. I have realized that there are problems not just in the field of Indian affairs, but also concerning "land ownership" which had until now been attributed to the Indians, to the aborigines.

To my mind, Mr. Speaker, this is not a new problem, and it does not apply just to one area of Canada, but to the whole country, and even if I am not too well informed of what is going on in British Columbia, Saskatchewan, Alberta and the other provinces, I think I know a bit more about what is happening in the province of Quebec and in the eleventh province, which I represent, Abitibi.

Mr. Speaker, there is at the moment large scale development in this area, all of it in territory that belongs to the Indians, to the natives. There as elsewhere, the problem is that the government of Quebec simply told the natives: Move over, we are coming!

Mr. Speaker, the House should pay close attention to this point, and the federal government may be right in fearing an almost inevitable confrontation with the government of Quebec, for it is only recently that the province of Quebec has tried to take an interest in the Indians and to do anything for them. In fact, this only goes back as far as the quiet revolution of the Hon. Jean Lesage. A liberal minister who has since been elected leader of an opposition party and who is now sitting in the National Assembly indicated himself that it was time that Quebec looked after the Indians in its territory, but that interest ran short and was of little profit for the Indians.

I have here a newspaper clipping from *La Presse*; it is an editorial by Mr. Guy Cormier dated Tuesday, July 16, 1968 which recalls statement by Indian chiefs on that subject. The article reflects the concern of the Indian chiefs at that time. Since then, we know that the government of Quebec put the Department of Natural Resources in charge of Indian and Eskimo affairs and the Indians, the interested party did not waste time to voice their opinion through their chiefs. Here are the words of chief Andrew Tanakokate Delisle:

> Quebec also wants to look after the Indians? We will have more offices . . . where as usual, nobody takes responsibilities . . . We are tired to go from an office to another. All we want is to deal with responsible people. Moreover, I note once more that decisions are made without consultation. They talk about our rights. But, in my opinion, the ones who are in a position to speak of Indian rights in this province are the Indians themselves.

Mr. Speaker, when the decision was made by the government of Quebec to develop that large area of the James Bay basin for building a hydroelectric complex, they forgot to consult those most directly affected in that area. They acted with lightning speed merely to fulfil an election promise: new jobs had to be created and it was urgent.

Another chief, the one from Sept-Iles, showed a reaction still less pleasant than that of chief Delisle. Here is what he said:

• (1620)

> Among all provinces, Quebec comes first as far as segregation is concerned . . . If Quebecers, a minority in Canada, wish to be respected, let them begin by respecting the minorities close to them.

Mr. Speaker, it is somewhat the history of the province of Quebec and of Cnada in general. I will limit myself chiefly to the province of Quebec and the James Bay development project, because that question is now in the limelight.

Mr. Speaker, I should like to point out that the intelligence of the Indian people should not be under-estimated. Let us not think that the Indians are not cunning. They are aware of the property they used to have.

That vast undevelopped territory may seem unimportant to white people, but if it were developped, we would be surprised to see the wealth it contains. It is not my intention at this stage to give details, as it was done on other occasions and we might have the opportunity to come back to that.

But the fact remains that the inhabitants of that area are aware of the situation. Indeed, the James Bay Indians know very well that they will never be able to stop hydro electric development in that area, especially when it has already been decided by Americans. Nevertheless they want to get at least a compensation for the territory they will lose.

Land has been expropriated for the Forillon park in Gaspesia; I will not question the amount paid but at least we have been paying. Land has been expropriated to develop the Valcartier military base. Once more, we have been paying. Land has been expropriated to build the

Sainte-Scholastique Airport and once again, we have been paying.

If land is needed to build hydroelectric plants, we must pay. Let us expropriate, fair enough, but the land should be paid for. Perhaps the land is not as expansive as in other more developped areas but in view of the huge territory which we propose to take from the Indians, I think they should be adequately compensated.

In the February 1972 issued of *Le Québec Industriel,* it is reported and I quote:

The James Bay area is a huge territory whose southern limits are some 300 miles from Montreal and the northern limits over 800 miles away. More precisely, the area extends westward to the Ontario border, southward to the 49th parallel, northward to the 55th parallel and eastward to the highwater line separating the Hudson Bay basins from those of the Gulf of St. Lawrence. Its longest east-west dimension exceeds 400 miles. The total areas of this region is about 125,000 square miles or almost one fifth of the whole province or again more than the four Maritime provinces put together.

And this is only a small part of the federal constituency of Abitibi.

It is all that territory, 125,000 square miles, that is being hit, that the Quebec government expropriated to create under Bill 50 that huge municipality known as the James Bay municipality and which includes the towns of Chibougamau, Chapais, Matagami, Joutel and in the western corner the rural municipalities of Villevois, Val Paradis and Beaucanton; the municipality covers the whole basin to be used for that hydroelectric development.

Mr. Speaker, it is all that territory that is being taken away in one shot from the Indians living in that area. Some say that they are not numerous, roughly 6,000, but that territory is important to them. They own it by right. It is theirs. It is obvious that the project is important but as I said a while ago the Indians know quite well that they will not be able to, and they do not want to, stop that development. But since that territory is theirs they want to benefit from it and I agree with them on that.

In the daily *La Frontière* of September 25, 1968, there was an article by André Dionne. It is a very interesting article. It deals with the claims of the Indians and there is even concern because it is thought that Indians will claim more and take action to have their rights asserted. It is not known exactly how far that could go. I quote from the paper:

The vast movement of conscience which characterizes the Indian people of Canada will soon give rise to claims they consider essential to their survival.

Talking only about those living in Quebec, they will very soon submit claims to the government of Quebec—

That was written in 1968, it was already started. It goes on to say:

Those territories are so vast in the province of Quebec alone that a very summary and partial assessment could run up to $4 billion.

That is about the amount Chief Max Gros-Louis put forward not too long ago.

It goes on to say:

The Quebec Indian Association which represents most of the 26,000 Indians of Quebec regards land rights as basic rights. Thus, it is the first stage.

[Mr. Laprise.]

To this end, the Indians have prepared the draft of a brief to be presented soon to the government of Quebec.

Through these negotiations, the Indians can get fair compensation for all the territories which have been taken from them since the 1760 Capitulation, as well as some other rights linked to territories and also for some territories which are not occupied.

During the conquest, French people held only a strip of land along the St. Lawrence valley. The rest of the Quebec territory was held by Indians who owned it, except for the northern part which was held by Eskimos.

On these Indian territories, white men exploit the most important natural resources, namely mines and forests.

The legal aspect.

One of the first arguments and probably the most basic: aboriginal rights.

Legal documents state that aboriginal rights are real rights; moreover, it is a right to the land, a right which confers Indians a legal title.

A second legal text reveals that the Indians or native people undoubtedly owned by right a real territory (real property) in the public and private meaning of the word.

Moreover, these territories were "occupied" in the legal meaning of the word: they were divided by real frontiers.

Each of those areas was entirely occupied by a band.

Mr. Speaker, those texts show without a doubt that the native people have some rights which must be upheld and which no government can repeal without any compensation.

Mr. Speaker, the debate deals today with the integrity of the territories rightfully belonging to the native people and I feel that this right must be recognized.

In a recent statement of the minister to the committee, he scarcely referred to the present conditions in Quebec as a result of the James Bay hydroelectric development.

It seems to me that up to now, this government as well as the Minister of Indian Affairs and Northern Development (Mr. Chrétien) did not want to commit themselves more than necessary. They would rather let the native people fend for themselves and provide the necessary funds for their defence.

I wonder whether we could not go so far as to force the government of the province of Quebec to abide by the treaties concluded when the territory was granted through a confederation Act.

Mr. Speaker, I shall go no further with my comments at this stage, but I feel that the proposal submitted to the committee by Georges Manuel, President of the National Indian Brotherhood of Canada, should be concurred in.

• (1630)

[*English*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am happy this afternoon to have the opportunity to participate in this important debate because, having been in my portfolio for five years, I have been involved in many discussions about Indian rights. It is always with great pleasure that I discuss them because, of course, as usual it is evident that the opposition parties are trying to catch up with what the government has already done. They just do not understand. They are always confused and it is important for us once in a while to come back here and tell them what is going on.

Today the opposition tried to ask the House to pass a motion relating to a committee report. The members of the committee, as I said on television, were entitled to expand a bit on the concept involved and to ask a few questions. There is a lot of sense in the proposition put forward by the president of the National Indian Brotherhood, and some questions have to be put by members of the committee. Of course, some questions are not answered by the report, and some implications relating to this matter were not clear in the minds of members of the committee.

However, I think the members of the committee were entitled to ask a few questions and to listen to other groups of Indians in Canada expressing their views. They were entitled to ask other people what they thought about this question and to see what could be done in some provinces about the situation. Everyone knows that not all provinces of Canada entered into confederation at the same time, and different legal situations exist in British Columbia, on the Prairies, in Quebec, in Ontario and in the Maritimes. Certainly there are many implications in this question. It is easy to be in favour of motherhood, and just as easy to say that the recognition of aboriginal rights is a simple matter.

We have already recognized in this land the rights of Indians and we have acted as never before. As recently as last week we established a committee to negotiate the rights of the Indians in the Yukon. Never before was this done. Between 1957 and 1962 the hon. member for Yukon (Mr. Nielsen) was in this House. How did he vote on this question? When his party was in power it completely ignored the situation.

Miss MacDonald (Kingston and the Islands): Oh, come on.

Mr. Chrétien: Never before was there a discussion with Yukoners about native rights. Only since last Friday was the committee established to negotiate the rights of natives in the Yukon. For years and years nobody could find a way around some of the difficulties. This government for the first time has found a way to sit down with the Indians in the Yukon, try to correct the problems there and come to an acceptable agreement. We are not only talking, like members of the opposition. When they see that we have made a good move, they come to this House and try to catch up with what is going on. We are not taking our time in talking. We are taking action which will solve the problems of the Indians in Canada.

Miss MacDonald (Kingston and the Islands): Oh, come now.

Mr. Chrétien: Just a moment. It hurts to hear the truth, does it not? We are also talking about the B.C. land question. Perhaps the hon. member for Skeena (Mr. Howard) can help me in asking that provincial government to recognize the rights of the Indians in the Nishga area. The Indians who obtained a decision from the Supreme Court came to me a few weeks ago and asked me to speak to the B.C. government and claim some of that land for them. I have done so already. I was in B.C. as recently as ten days ago and discussed this matter with the provincial government. I hope the hon. member for Skeena will talk to them too. It is easy for him always to say that he is possessed of all wisdom. I remember only too well that when I was in the House in 1969 to explain the new policy on Indian affairs, the hon. member for Skeena rose and said that the policy was all right; the only thing wrong with it was that it was 25 years too late. Many hon. members heard that. However, when he saw there was disagreement with the Indians, he changed his mind once more.

Some hon. Members: Oh, oh!

Mr. Chrétien: It hurts does it not?

Mr. Howard: On a point of order, Mr. Speaker, I do not think you should let the minister make false statements in the House.

An hon. Member: You are not challenging the statement, are you?

Mr. Chrétien: Mr. Speaker, it is amazing how the hon. member for Skeena, who likes to attack in debate, cannot accept facts. A few weeks after the announcement, when he learned that the Indians were not happy about some aspects of the policy, he did a complete somersault and said everything was wrong.

Mr. Howard: That is not true, Jean.

Mr. Chrétien: Yes it is true. Just read *Hansard* and you will find out.

Mr. Howard: I have.

Mr. Chrétien: I can send you your statement. The same thing happened with the Tory party. The House leader of the Tories criticized the policy.

Mr. Stanfield: I criticized it myself.

Mr. Chrétien: He said it was too late and that we should have done this a long time ago.

Mr. Stanfield: We said it was wrong, too.

Mr. Chrétien: Never was that said.

Mr. Stanfield: I said it myself.

Mr. Chrétien: No, Sir. I can look back at *Hansard* to verify that.

Mr. Stanfield: Well, look back.

Mr. Chrétien: There speaks another guy who cannot stand being criticized. I do not know what he will do if he is elected. He cannot stand complaints.

Mr. Horner (Battleford-Kindersley): Just try us.

Mr. Chrétien: I do not know who will vote for the hon. member; his party has just lost six points in popularity, according to the Gallup poll.

We are going to talk to the B.C. government and try to establish a policy because we recognize that in B.C. the land has not been covered by treaty and that in some parts of the province the Indians are claiming more land.

They have come to me. I have received them. The government has agreed that we should discuss this with the B.C. government in order to get those Indians some land. They want to have the lands they now occupy. The hon. member for Skeena has conveyed to this House very well the attachment the Indians have for that land. That is why I went to B.C. I wanted to try to correct some of the wrongdoing of the past. I hope the hon. member, who belongs to the party which is governing in British Columbia, will help so that we may make progress there.

When the Nishga people decided to go to court, their action was not against the federal government; it was against the B.C. government. Now the decision has been handed down by the Supreme Court and the government of the day in that province will have every occasion to prove that they support the concept that the hon. member for Skeena has talked so much about. When you are not in power you can make statements like those the hon. member has made. On the other hand, we have done something about the question and we will continue to take action.

Let me now refer to the claim to land title brought by the B.C. Indians. This is another matter I raised with the B.C. government when I was there. I wanted to see what kind of mechanism could be introduced. Everyone knows that it is not possible for the federal government to give back to Indians in any province some land, because lands within a province are controlled by the provincial government. It is not me who decides that land within the borders of a province is provincial Crown land; it is in the Canadian constitution.

I wish to illustrate some of the difficulties we face when trying to resolve these problems. We are not just making speeches in this House. I wish to point out what we have done, what we are ready to do and what we will do. We will keep on working to resolve these difficulties.

• (1640)

Some hon. Members: Hear, hear!

Mr. Chrétien: I am very proud to see the Indians appear before a committee of this House and make representations such as they have. I am also proud of the fact that the Indian associations are functioning well. The first time in Canadian history that the Indians received any help to become organized and put their needs before the Canadian public and the government was when we started to give them grants to organize. We provided funding money so that they could come before the Canadian government and state their case.

It is easy to make broad, sweeping statements, but I wish to again state the point I made over television last Sunday. The situation is not the same everywhere. Everyone knows that. We would be hiding our head in the sand if we claimed that one Indian policy and one Indian title could solve all the problems. I have been confronted with many different aspects of the problems.

British Columbia was a colony before entering confederation. Crown land was then in the hands of the provincial government. When the Prairies became provinces, the Indians received land from the federal government. There were other types of government in the Maritimes and Quebec long before confederation. This created another legal implication. I do not want to be legalistic about this. It is a fact of life. These aspects cannot be dealt with in isolation. You have to look at the problem and make a decision, such as was made by this government, that you will resolve the problems. We will go all out to find a solution that is acceptable to the different areas of Canada. There has been talk about the James Bay project. I am ready to talk about that.

Mr. Fraser: It is too late.

Mr. Chrétien: It is not too late.

Mr. Davis: It is never too late.

Mr. Chrétien: That case is now before the courts. After negotiating with the Quebec government, the Indians decided to go to court. They were not happy with the response they received from the Quebec government. I said this in this House, I said it to the Quebec government and I repeat it today—the best course the Quebec government could have followed would have been to offer a generous settlement along the lines asked for by the Indians. The Indians are still asking for that. We have helped these Indians. Their problem is now before the court. We have financed them all along. We provided them with expert advice and put at their disposal all the documents we have. Do members opposite want me to go before the court in their place? I do not want to do that.

There is also the case of the Nishga Indians of British Columbia. They went to court on their own. They did not even ask the federal government for assistance. At one point I offered financial help. They informed me that they could finance their own case. They did not accept the money. They felt they had a good case and could defend themselves. A decision was handed down by the Supreme Court. Following that, I was asked to intervene with the British Columbia government. Ten days ago I explained the problem to that government. I hope we can come to terms with the British Columbia government because the Indians are asking for land, not money.

There was also a claim by other groups of Indians in British Columbia who have not signed treaties. I have started talks with the British Columbia government because the cut-off land question was made by the provincial government at the beginning of the century. Those problems have never been resolved. It is a completely different problem and I will have to find another mechanism. We have agreed to negotiations in the Yukon. The mechanism has already been established. I hope it will be a framework for a solution that can be accepted elsewhere in Canada. We cannot move on this for political reasons, as some people claim.

One Indian leader who appeared before the committee was flabbergasted because the committee members did not ask any questions. They wanted to have a vote right away. The hon. member for Richelieu (Mr. Côté) said that he would at least like the privilege of being able to read the document. Five minutes before the vote, he was delivered a French copy. Members opposite claim they want to defend the minority. Was it an unreasonable request by a member of this House, who does not speak English, to read the document before the vote?

Mr. Clark (Rocky Mountain): Mr. Speaker, I rise on a point of order. It is at least misleading for the minister to raise the inference in this House, as unfortunately members of his party did in committee, that there was an instance of prejudice against French-speaking members of that committee. In fact, what was done by myself and my colleagues sitting in that committee was that we went out of our way to delay the vote. We agreed to delay the vote until the evening, in order that there might be an opportunity for the resolution and the document on which it was based to be brought forward in both official languages. I very much resent the slur on the conduct—

Mr. Deputy Speaker: Order. That is not a point of order. The hon. member will be recognized following the minister. If the hon. member thinks there should be some elaboration by way of debate, he can raise his point at that time. I must again ask, on behalf of other occupants of the chair and myself, that members do not use the words "point of order" to raise points which are really points of debate. This practice is becoming more and more unfair as this session continues, especially when a member knows he will be recognized and will have the opportunity to make distinctions regarding what is said by the member who has the floor.

Mr. Chrétien: As I said earlier, I think this debate today is just an attempt to try to patch up the actions of the government.

Mr. Dinsdale: What action?

Mr. Chrétien: To set up committees, to negotiate human rights in the Yukon and to negotiate the rights of Indians with the British Columbia government. That is action, not debate. Over the past five years we have helped the Indians of Canada to put their case. This was not possible previously. We have developed a mechanism of consultation that did not exist before.

Each year we spend $7 million to help the Indians get organized, travel, put their case and have discussions among themselves. We have tried to decentralize. Many people say that we have not made any progress. We have made a lot of progress, and the Indians recognize this. When I became minister of this department there was a white man in every reserve in Canada who told the Indians what to do. This system has been changed. Band managers are now appointed by the individual bands. We have established management courses for those who head the bands. Indeed, a large part of the budget of the Department of Indian Affairs is now administered by the Indians themselves.

• (1650)

We have done our best. Of course, many problems remain. There is nothing more difficult than to face social problems like that every day. One tries to catch up, but it seems one will never succeed in doing so because of the magnitude of the problem. There is one thing of which I should like to remind the House. When I became minister in 1968, the budget was $120 million. This year, five years later, it amounts to $330 million. I heard the hon. member for Kingston and the Islands (Miss MacDonald) say something about a great bureaucracy. I am glad to be able to destroy that myth. The number of civil servants in the Indian affairs branch has not increased in the last five years, if one excludes the teachers. There is nothing I can do about the number of teachers because more children are going to school and we have to provide more teachers for them. But excluding the educational side, there are fewer civil servants in the branch than there were in 1965.

This reflects progress, because the Indians are now taking responsibility upon themselves. In a couple of places on the Prairies there are school boards entirely run by Indians. They operate the schools, hire the teachers, and so on. I hope to place before the committee very soon a new education policy. It is based on a positive study, and it has been the subject of discussion with the National Indian Brotherhood. We have agreed on a new Indian education policy. This is real progress. It is not only talk. It is much more than that. I believe we shall continue to progress.

This question of Indian rights is very important, of course. There is a lot of emotion surrounding it. I am glad everyone agrees that we should recognize Indian rights in this land. We have already done so. But there are some very far reaching implications which prevent our going too fast or in too many directions at the same time. We are trying to establish the right course of action, not only in theory but in practice. In the Yukon I am very hopeful we can come up with a solution which will be a pattern for the rest of Canada, that is, for the Indians who have not signed treaties.

Mr. Howard: That is what is wrong with it.

Mr. Chrétien: I understand that yesterday a very good brief was presented to the committee on this very point. Some of the Indians are very emotional about their treaties and do not want those treaties to be changed. Others say the treaties should be renegotiated. There are questions which can legitimately be asked. I believe the committee should go into these aspects before making recommendations. I believe it should not simply make recommendations in general terms after deliberating for five minutes. There are questions to be asked of the Indian leaders about some of the implications. It is not an easy matter. I have lived with this problem for five years. In one part of Canada there is one interpretation of the value of a treaty. In other parts there is another interpretation.

We have said we shall respect the Indian treaties, and we have established a mechanism to help the Indians to obtain remedies from the Crown for the wrongdoing of the Crown. Already we have begun to settle some of these claims. For example, Commissioner Barber has so far negotiated at least 12 different treaty claims with the Indians. One of those has been settled and paid—I think it is with the Blood Indians of southern Alberta. This is something positive, a mechanism which has not been available for a long period. At first, the Indians were somewhat uneasy about the role of Commissioner Barber. Indeed, it was 18 months before he could really start doing his job. This is not because of fault or shortcoming on the part of anyone. It is because there is a big gap of misunderstanding between the white society and the Indi-

ans in this land. That is why it is not possible to do anything too quickly.

What I have always avoided doing is creating a situation in which we appear to promise the Indians that we can solve all their difficulties in one shot. That would be misleading. For too long the Indians were told so many things, given so many undertakings, promise and commitments which were not carried out.

Mr. Yewchuk: Especially in the last five years.

Mr. Chrétien: Look at the facts. In the last four years the committee has researched some of the problems thoroughly and come up with a number of good solutions. They took the work seriously and there was very little partisan politics in that committee. Perhaps I used too strong an expression when I spoke on the television program, but I do not believe that five minutes after receiving a brief certain members of the committee should accept it in its entirety without analysing the implications. That is not in accordance with my concept of the way in which a committee should function. It serves no purpose except to score political advantage. I should like the committee to consider all the aspects involved, more especially since, I am happy to say, there is not a member in this House who does not think the wrongdoing of the past should be corrected.

This is what we are doing at the present time. This is the purpose of our discussions with the Yukon Indians, with the Indians of British Columbia and elsewhere. In Quebec, of course, the case is before the courts and it is difficult for me to comment upon the situation. I think the action taken by the Indians there is the consequence of a mature decision reached among themselves. They kept me informed all along of what was happening, and I kept them informed all along of my intentions. They decided to go to the courts and I am satisfied they have put forward a very impressive case. It is up to the courts to decide the issue.

I would not reverse the position I have taken all along that the Indians in Quebec and elsewhere have been reasonable. They have not systematically opposed any development. They wanted participation. They wanted compensation. They wanted meaningful opportunities as a result of this development. And since the Quebec government did not come through with proposals positive enough to satisfy them, they decided to fight their case in the courts. We, as a government, have helped them—and the Indians have not complained about the help given to them. When a decision is made by the court, our advice will be available. It would be premature for me to say anything further at this time, except that in cases of this sort it is better to settle out of court than to go to court. I say this because I think a good settlement is possible, one which will bring advantages to both parties.

[*Translation*]

Mr. Speaker, I should not like to go on speaking, knowing that many hon. members want to express their views.

As I said at the start, we have already made great progress in recognizing all treaty Indians. We have said and we repeat that we intend to observe those treaties and fulfill our commitments and in such cases where we did not do so, or cheated the Indians the government has stated that it will do its very best to right these injustices. That is why Commissioner Barber and myself are ready to deal with any cases submitted to us in due time and place, and we have already begun to do so.

Concerning non-treaty Indians, on the basis of the rights acquired by them in 1763 as a result of the Proclamation by King George III, the government feels that their problems must be solved equitably. This is a new start in that field, something that has never been done before. We have already started negotiations with the Yukon Indian Association. We have started discussions with the government of British Columbia with a view to setting up tripartite consultation mechanisms to solve the problem of the rights of the Indians who did not sign a treaty in that province.

I trust that different situations elsewhere in Canada can be solved through negotiations based on the fundamental principle of the Proclamation of 1873 which gave the Canadian government instructions that we must follow. That is why we have undertaken negotiations with some Canadian provinces which we intend to pursue until such time as we can collectively offer the Indians, as all other Canadians, an acceptable solution.

To my mind, Mr. Speaker, the members of the committee on Indian affairs and northern development were right in wanting to study this document in depth, to hear the views of several experts on the matter, instead of merely trying to use this controversial debate to score a few political points.

I for one feel that the committee should go back to work and study once again the overall effects of this document. I know the advisors of the government and others have—

• (1700)

[*English*]

Mr. Deputy Speaker: Order. I regret to interrupt the minister, but the time allotted to him has expired.

An hon. Member: Carry on.

Mr. Deputy Speaker: Has the minister permission to continue?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: It is not agreed.

Mr. Stanfield: I do not want to be difficult, Mr. Speaker, but perhaps we could give the minister another minute.

Mr. Chrétien: Mr. Speaker, I just wanted to say that I should like the committee to make a thorough study of those concepts and to look at all the implications in the different provinces in order to see what can be done in a non-partisan way. After all, there is nothing to gain from being partisan. I wish the House of Commons and this parliament would deal very seriously with the question and back me up if I do something that is right. During the five years I have spent in my present department, I have not found things too easy. But with the help of the House we may still make a lot of progress in this field.

We have tried to offer some concrete solutions, and I hope that in our further study we will not become confused with different terms and with the semantics of the problem. We must try to correct any wrongdoings of previous administrations and offer the Indians a fair deal. Unfortunately, a lot of the implications we cannot escape. This is why I cannot agree with all the briefs that the Indians have presented. After all, these are negotiating positions and they do not expect us to accept them in their entirety. Their submissions are the basis for negotiation, and when your are negotiating you do not ask for the minimum but for the maximum. The committee could probably help me achieve a balanced judgment that would serve the best interest of all Canadians.

Mr. Deputy Speaker: The hon. member for Skeena (Mr. Howard) wishes to ask a question, but he will need the consent of the House since the time allotted to the minister has expired.

Mr. Howard: No, Mr. Speaker, it was extended. Would the minister agree to answer a question?

Mr. Deputy Speaker: The minister's time had been extended, but that does not necessarily imply that all hon. members have the right to ask questions. Does the House agree that the hon. member for Skeena has the right to ask a question?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: It is not agreed. The hon. member for Rocky Mountain (Mr. Clark).

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I think that since all parties in the House have now had an opportunity to express their views on this resolution, and since we are all anxious that it be brought to a vote as quickly as possible, if there is agreement in the House that we now proceed with the vote I am prepared to sit down.

Mr. Lalonde: If you have anything to say, say it.

The Acting Speaker (Mr. Laniel): I was not in the chair when the hon. member made his proposal, so would he please repeat it?

Mr. Clark (Rocky Mountain): Mr. Speaker, my proposal was that if it was agreeable to the House that we proceed immediately with the vote, I will surrender my time and sit down now.

The Acting Speaker (Mr. Laniel): The hon. member might make that suggestion, but it is not the responsibility of the Chair to find out whether another hon. member wishes to speak. I do not think the procedure that we have followed in the past should be forgotten, namely, that any member of the House is entitled to express his view on any subject matter before the House. If the hon. member wants to take the risk of not participating in the debate, he can do so.

Mr. Clark (Rocky Mountain): Mr. Speaker, I take it that my hon. friend in the Liberal ranks is rising to speak and thus prevent a vote by talking the motion out, so I shall proceed.

I was interested to hear the minister say that his government had recognized the rights of the native people as never before. I am moved to comment that his method of recognition is so original that it is invisible. Certainly he has not been in touch with very many of the native groups which have made special recommendations. I have just had a note that the Union of British Columbia Chiefs have yet to hear from this government. Although the minister said he has been in touch with the province of British Columbia in regard to their representations, he has not been in touch with the native people themselves.

I also think it was a signal accomplishment for the minister to be able to speak beyond his time in this House without referring for one instant to the resolution that is before us, because what the resolution asks, and all that the resolution asks, is that this House recognize the concept of aboriginal rights so that the proceedings of the committee and the deliberations of this House will have some authority and we can proceed with our discussion knowing we are discussing something that has point to it, knowing that this is not just another aimless study of the matter.

I want to put this debate in context. I think we recognize, as my colleague from Kingston and The Islands (Miss MacDonald) has suggested, that governments in other countries are taking native claims seriously and are starting down the road to settlement at the very time that we in Canada, under this government, have been turning away from the road to settlement and backing away from some recognition of aboriginal rights.

I think we acknowledge, and without very much pride, that the native people of Canada in times past were victims of white trickery, when land rights and other rights were often traded for blankets, beads and other pittances. I suggest that the treatment accorded to our native people now is no less shameful. There has been the fraud of consultation in preparation for the white paper, now thankfully withdrawn. There has been the establishment of the claims commissioner who has to his credit now one settlement of one ammunition agreement concerning one treaty in Alberta, but who has clearly been established to delay settlements of claims, not advance them.

There has been the shameful treatment of native people in the area of James Bay, an area where the minister has a clear responsibility to help an unsophisticated group of native people who are threatened by a government-sponsored corporation. The minister's only response has been to give these people a little conscience money to get them into court, so that he and his colleagues can escape discussion of the question on the ground that it is *sub judice.* I hope that the minister might apply some of his own responsibilities to end native people's representations with the moral fervour that he has brought to the suggestions of the government of the province of Quebec regarding what they should do after the fact.

• (1710)

That is the context of trickery within which we now debate. I think the significance of that is not merely that the government is acting, if I may use the minister's own

word, irresponsibly; the real danger is that the native people cannot be expected to put up forever with this kind of duplicity. No group would. But the native people have before them the temptation to respond with violence when gentler methods fail. They have the lessons of other countries where other minorities have felt they were being deceived, and so responded violently.

I think the minister drew a red herring deliberately when he suggested because there are regional differences we cannot act in support of this resolution, indicating a commitment to the principal concept of aboriginal rights. There is a need to establish aboriginal rights under a national policy which recognizes the elementary principle that aboriginal rights exist. It is simply a falsehood, I suggest, to say that we cannot proceed now to enunciate that commitment of having a national policy because individual settlements that might occur will differ from region to region.

It seems to me the one remarkable fact about Canada's native leadership is the strength with which they have resisted the temptation to abandon consultation. They have put up with far more than many other groups in Canada would have accepted. I ask if you can imagine the Canadian Labour Congress or the Canadian Chamber of Commerce coming back in good faith to deal with a government which has consistently deceived them? Yet the native people, with their present leadership, have come back and are prepared to negotiate in good faith in spite of the way they have been treated before. I simply suggest that their moderate response cannot be counted on forever.

There is a matter related to this which I want to raise. It has to do with the fear, by many white Canadians, that Canadian Indians have been so broken down by the paternalism of the department they will never be able to stand on their own feet. If that is true, it is a tragedy. If it is not true and if, as we believe, people who have been victimized by paternalism can be brought back to pride and independence, then surely it is time to start. If we hope to end a system of paternalism whose cost is extravagant both in dollars and in dignity, surely we must begin by dealing seriously with the native people. That is what this resolution proposes, a beginning. It proposes simply the recognition of a concept of aboriginal rights and a recognition that there is a claim here to be settled.

The minister, for reasons of his own, is proposing that the resolution involves much more than that. In his celebrated television interview he said, "There are some cities that have been built on land that is perhaps not Canadian land." He went on to suggest that there might be a claim for the whole of the province of British Columbia. That is simply a scare tactic. It is simply a device, well known in this parliament and that party, of taking the most extreme possible consequence, pretending it is the norm and using it to scare people, thus avoiding honest debate. This is the resort either of a desperate government which knows it has no case, or an arrogant government which does not care about the facts and which would dismiss contrary opinion by saying, as the minister said of one of his colleagues during that television interview, "He does not know very much."

[Mr. Clark (Rocky Mountain).]

The tragedy is that the minister can scare Canadians. If he wants to arouse false fears, this clearly is an issue where he can do so. Not only can he arouse fears, he can animate a prejudice against native people which we would be some time settling down. I personally hope the minister will abandon that course on which he has begun and will focus on the issues we must face, rather than the fears he can arouse.

I want to repeat the fact that acceptance of this resolution means only the acceptance of the concept of aboriginal rights. No cities are in danger. No province is to be given back to the Indians. At this stage there is not even a commitment to dollars; there is simply a commitment to deal in good faith and as equals with people who have claims older than any other claims this parliament considers.

This will be a long process, a process of years rather than months. That is one reason it is so urgent to make a formal beginning now and not to continue to delay.

The issues involved are serious. The settlement, when it comes, could involve the payment of millions of dollars—the end of the costly and colonial dominion of the department of Indian Affairs, the recognition of historic rights and the re-establishment of the dignity and sense of worth of hundreds of thousands of native people whom our society has abused.

These issues are more than serious; they are also inescapable. At some time some parliament of Canada must face the issues involved in aboriginal rights. No magic is going to spirit these issues away and no mere lawyer, even if he is also a prime minister, is going to dismiss them with ingenious argument, because these issues are based on claims which are rooted in the history of the country and perhaps in her conscience. If they cannot be resolved by negotiation, in an atmosphere of mutual trust and goodwill, they will arise in other more inflammatory ways.

So the real question about aboriginal rights is not whether we will face them, but when and in what spirit. Delay might appear to buy time, but it is more likely simply to destroy the good will which still characterizes most of the native leaders of Canada, in spite of the treatment which too often they have received.

Of course, the people who must be convinced about aboriginal rights are not the native people but the whites. The time will come when parliament and the government will have to advise native leaders about certain realities within the white community, namely, what we think we can afford. No doubt that will be difficult, although it will be easier if native leadership is reasonable, as generally it is today, than it would be if we drive out reasonable leadership.

But the case which the government and parliament must make today is to the white Canada, and there is no doubt that many Canadians outside the native community are concerned about the concept of aboriginal rights. I think their concern is based upon two fears: first, a fear that any settlement might be too extravagant for the national treasury to bear; and second, a fear that any payments made under a settlement would be wasted, spent foolishly by people who have not yet learned to

manage their own affairs. I want to address myself to those two concerns.

First, it is important, as we begin the formal stage of this debate, to make it clear to everyone concerned that there are limits upon the settlement the national treasury can afford. We do not intend to give away the country, or give it back, depending on your point of view. What we seek is a fair and reasonable settlement and it must be fair and reasonable to both sides.

On the question of costs, the point deserves reiteration that we are involved in costs now, heavy costs. In direct dollar terms, the annual budget of the Department of Indian Affairs, as the minister so readily boasts, involves the expenditure of hundreds of millions of dollars each year. In indirect dollar terms there is the high and recurrent cost of provincial welfare and other programs serving native populations. In human terms, which dollar calculations cannot compute, we pay the staggering price each year of human potential wasted or destroyed by an imposed system which neither challenges the individual Indian citizen nor allows him to follow the course he would choose.

So there are high costs today, and while a settlement based on recognition of aboriginal rights would not suddenly eliminate those costs, or perhaps even eliminate some of them, it would lead to the extinguishment of some existing claims and could lead to the breaking down of the hand-out psychology which has made too many native people the wards of state instead of contributing citizens.

This brings me to the second fear of many white Canadians, the fear that native people cannot manage their own affairs or do not want to. It is an inescapable fact, in my province at least, that this fear is greatest among people who live closest to reserves. They have simply seen too much evidence of Indian people whose behaviour confirms the unhappy stereotype of the lazy Indian. It is my experience that the anger of the whites toward the lazy Indian is mild when compared to the anger and resentment of industrious Indian leaders and people. It is also an inescapable fact that, while examples can be found of lazy Indians, so can examples be found of industrious and creative citizens. We meet them virtually every time the standing committee assembles and every time we visit reserves. In a sense, the industrious Indian is the more to be marvelled at because he has overcome a system of paternalism which is designed to break down dignity and independence. Anyone acquainted with the treatment of native people in Canada must at least accept that lazy Indians are lazy because we made them so.

This is a condition which white society and the predecessors of this parliament have helped to create. We have established and imposed a system which has locked too many Indian people into the stereotype and into the fact of aimless dependence upon the state, and the architects of that system are at least as much to blame as its victims.

There is no point in laying blame upon the past, but surely we cannot refuse to deal with the just claims of Canada's Indians simply because some of them have slipped into the trap of dependence which our society helped to set for them. To do that would be to guarantee that Canada's Indian people will never escape a welfare trap unless they do it violently. Indeed, that might amount to an invitation to violence, because our refusal to deal reasonably with the moderate men and women who constitute much of the modern leadership of Canada's Indian people would almost certainly undermine the authority of these leaders and set up less responsible replacements.

• (1720)

At the least, such a response would break the growing spirit of Canadian Indian people to stand on their own and make their own contribution as individuals and as a people to the development of Canada. In fact, one consequence of the eventual settlement of aboriginal claims is that Canadian native people will then be forced to stand on their own, because once the settlements are made, the claims are gone. If money received in settlement is wasted, that will be it. There will be no big brother to go back to. Knowing this, knowing that the settlements which are reached will have to be lived with, will itself force native people to face basic questions about their status, about the reserve system, about other matters, and force them to face those questions with a seriousness which cannot exist in the present phony atmosphere of so-called consultation, when they naturally believe their opinions are being sought only to be ignored.

What the settlement of aboriginal claims will mean to the Indian people is not simply money or land but, more important, responsibility in a much fuller sense than exists in the paternalistic system we have today. Beyond that, a recognition of aboriginal rights is a matter of simple justice, made more urgent by prolonged delay. These are the people who first occupied this land. We took it from them, seldom by conquest, sometimes by agreements which were unfair then or are inadequate now, sometimes without settlement at all. After taking this land, we took their dignity and independence. In simple terms, we owe a debt. If we believe in any sort of justice in society, we must recognize our obligation to Canada's native people.

The way to begin that movement toward justice and responsibility is to deal with Indian people as though they are capable of responsibility; to deal with them as we would deal with other Canadians who have a claim. This resolution today asks no more than that, and we in our party believe that the Parliament of Canada can do no less.

Mr. Howard: I rise on a point of order, Mr. Speaker. I have had discussion with some members of this House, obviously not all, to see whether we might reduce the time allotted to speakers from 15 minutes to 10 minutes henceforth. I understand that would be an agreeable course of action. I wonder whether I might put that proposition to the House, through you, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Hon. members have heard the suggestion of the hon. member for Skeena (Mr. Howard). Is there agreement to reduce the time of speeches to ten minutes?

Some hon. Members: Agreed.

Mr. Judd Buchanan (London West): Mr. Speaker, I am glad to have this opportunity to speak to this motion for

concurrence in the second report of the Standing Committee on Indian Affairs and Northern Development. As chairman of that committee, I would like to spend some time to bring before this House some of the problems and concerns that have been presented to us in our hearings over the last two months and, in particular, those dealing with the subject of aboriginal rights for both status and non-status native peoples.

I think it is fair to say that not a week has passed during this session without some question relating to the native people of Canada being raised in the House. The problems of the native people of James Bay, the Nishga court decision, the question of aboriginal rights, the inadequacies of our present Indian Act and the depressing conditions and circumstances that Canadian natives are forced to live in have all been raised at one time or another. Outside this House, throughout Canada, we have been increasingly hearing the pleas and representations of various native groups, both status and non-status, and those of other concerned citizens, that we correct the injustices that have existed over the past 100 years.

Over the past four weeks we have watched the developments that have taken place at Wounded Knee, South Dakota. To many Canadians this situation is remote and far away. Yet if we listen to Canadian Indians and Eskimos, the grievances voiced at Wounded Knee sound very similar to those voiced here in Canada: recognition of the sovereignty of the Indian people, the enforcement and fulfilment of existing treaties and the restoration of a permanent, non-diminishing land base. For too long we as Canadians have been ignorant or oblivious of the plight of the Indian, the problems that exist and why they are there.

The failure of our economic system to provide justice to our native peoples is accompanied by the failure of our educational and social systems. Until recently almost all our history has portrayed our country's first inhabitants as the ignorant, backward, warring, noble savage. It is with this image that most of us have grown up. But how accurate is it? In the accounts of the early Jesuit missionaries we hear stories of a parental love for children that is unequalled anywhere today. In the testimony and briefs presented to our committee we have been told of a society and culture that far surpasses the idealistic hopes of many today. To give you some idea of how the native peoples of today have viewed their past, I would like to quote from some of the statements that have been made:

> We, as Indian people, has a system of collective ownership of land. We felt that land belongs to everybody and that everybody must benefit from those lands. It was the Europeans who, when they occupied this country, introduced individual ownership . . . (As Indians) we had our own God and our own religion which taught us how to live together in peace. This religion also taught us how to live as a part of the land. We learned how to practice what is now called multiple land use, conservation and resource management. We have much to teach the white man about these things when he is ready to listen.

It is clear that we, the white men, over the past 100 years have failed in dealing with the Indian peoples of Canada. Instead of solving problems that arose in the past, we have created more. However, today in the 1970s we have not only the experience of mistakes to guide us but also many strong status and non-status Indian associations who are committed to solving the present day problems of their peoples. I think if there is any significant accomplishment we have made in respect of the Indian people over the last five years, it is the fact that these associations have been encouraged and developed.

I believe a large degree of the salvation of the Indian people will rest with these associations. In recent years these Indian and Innuit associations have been increasingly voicing the position that only the Indian people will be able to bring happiness back into their own lives. And central to this position was, and is, the need to receive a just and fair settlement and the fulfillment of all existing treaties; and for those Indians that were not covered by treaties, for Indians in most of British Columbia, in the Yukon, in Quebec and the Maritimes, and for the Innuit, a just settlement on the question of aboriginal title. For the native peoples, both status and non-status, land is a very essential and necessary ingredient in their way of life. I would like to quote two passages from two separate briefs we received which, again, eloquently demonstrate this fact:

> Without land, Indian people have no soul—no life—no identity—no purpose. Control of our own land is necessary for our cultural and economic survival. For Yukon Indian people to join in the social and economic life of Yukon, we must have specific rights to lands and natural resources that will be enough for both our present and future needs.

Then again:

> We are people of the land. We have come from the land, and we love the land, but the land is no longer what it was. The land is now a part of the white man's new economy. It is tracked over, marked off, sold and scarred for the minerals and oils that lay beneath it . . . we are accepting that the land is no longer usable in the old way. We must seek a way to live in the new economy for which our land is being used. We are not seeking a way to sell our land. We are seeking a way to use it in the new way. Our culture does not allow us to sell our land. The land is a part of us, and we are part of the land.

Out or an awareness and concern for the position of Indians and Eskimos in regard to aboriginal rights, and a position of hesitancy on the part of the government, the Standing Committee on Indian Affairs and Northern Development set down its terms of reference quite quickly on this question. I shall read from the first issue of the minutes of proceedings of the committee:

> Your subcommittee recommends: that the committee undertake a study of aboriginal rights of the Indian and Eskimo people; that the committee inform the national and major Indian associations across the country of the intention and to hear evidence and receive submissions.

Among some members of the committee, including myself, there was a feeling that under these broad terms of reference, and after a complete and thorough study, we might be able to produce a report that would give the government some concrete guidelines of where and how to move on the question of aboriginal rights. I do not think this was in any way an idealistic thought, because the Committee on Indian Affairs and Northern Development during the last parliament carried out significant work and made useful recommendations, to which the minister has made reference, in the area of Indian and Eskimo education in Canada.

• (1730)

There was also cause for optimism about having a meaningful input after the government continued to pursue the direction it took in 1971 by broadening the terms of reference of Dr. Lloyd Barber's Indian Claims Commission to include non-treaty claims, and when it acknowledged the position presented in the submission of the Yukon Native Brotherhood and agreed to the establishment of a negotiating committee. The non-decision of the Supreme Court in the Nishga tribe's case was also reason for greater interest, not only in the cause of aboriginal rights but also in the need for our committee's report. Throughout these past two months we have received numerous presentations dealing with the question of aboriginal rights. As a result of the presentation of the National Indian Brotherhood we now find our second report before the House. However, we have had several further submissions dealing with aboriginal rights and we expect to hear several more.

The court's non-decision points up the need for Canadian law to recognize the question of aboriginal rights. To do this, some legislative action is required. I think it is generally agreed that parliament, in negotiating with native peoples, should reach a firm decision. It was pointed out by Professor Peter Cumming of Osgoode Hall law school, one of the witnesses before the committee, that "as parliament has complete control over any legislative settlement of aboriginal rights nothing is really 'being given away' through the recognition of such rights and the negotiation of a fair settlement." He feels that "there is much to be gained by the suggested approach. The unquestioned intention of the government is to improve the well-being of the native peoples. The unquestioned fact is that the native peoples remain the most underprivileged minority group in Canada."

The implications of the adoption of a position on aboriginal rights have been widely imagined. First and foremost, native peoples such as the Nishga, who have occupied land from time immemorial, will finally have rights. Secondly, and of major significance, the government and the native peoples will have a starting point from which to negotiate and reach a settlement. Any type of settlement will be worked out by parliament. In all the presentations about the settlement of aboriginal claims there was a real awareness that to achieve justice for all, a great deal of give and take on the part of all parties would be needed. Mr. Speaker, I see that you are on the verge of rising, so I conclude my remarks.

Hon. Walter Dinsdale (Brandon-Souris): Mr. Speaker, I congratulate the hon. member for Kingston and the Islands (Miss MacDonald) for her contribution to this debate. She has placed into focus, in quite precise terms, the most important issue with respect to our native peoples which faces the government and parliament today. And she did so in a way that makes it possible for this parliament to make a final decision on a basic issue that must be resolved if we are to deal justly with the long neglected native peoples of this country. I can understand the emotional response of the Minister of Indian Affairs (Mr. Chrétien) to that presentation, because its logic was inescapable.

I would hope, and this is why we have agreed to shorten the debate, that we will have an opportunity to reaffirm the vote that has already been taken by the standing committee. The government supporters who abstained from the vote were obviously confused with respect to the government's position on aboriginal rights. This motion now presents an opportunity for the government to withdraw from the position it outlined in the ill-fated white paper of 1969 and to accept the principle of aboriginal rights.

All hon. members of the House will agree that one of the great social tragedies of Canada has been our treatment of the native peoples. We destroyed their way of life and we gave them no opportunity to become established in the white man's society. As a result, they are marginal people. Because they were disease-ridden for a long time, they were a vanishing people. Demoralization is still rampant, as expressed in some of the indices of social destruction among those people. I agree that there has been an improvement over the past two decades or so. There has been a concerted attack on the health problems of the Indians, so that they are no longer a vanishing people. They now have the largest birth rate of any group in Canadian society.

There have been important breakthroughs in our approach to education. The minister referred to this in his speech as though it were something that happened in the past five years. But I would remind him that what has happened in his department is its adoption of the excellent education program that operated in the Department of Northern Affairs from the mid-1950s on, when Indian Affairs was incorporated in that department. Another important breakthrough gave the Indian population the right to vote in 1959, and the Innuit population the right to vote in 1962. For those who say that the Progressive Conservative government had no interest in these matters, I point out that these fundamental breakthroughs came during the administration of the right hon. member for Prince Albert (Mr. Diefenbaker).

As a result of giving the Indian population the vote in 1959, they have now become an important part of the political process. This is reflected in the responsible, intelligent, capable leadership that has emerged, because now they have their day in court. They have been given the opportunity to make their contribution to the political process because they were given the basic right of citizens in a democracy, the right to exercise the franchise.

In 1963, the next major breakthrough in the progress of our Indians towards full Canadian citizenship was to have been the establishment of a claims commission. The resolution was on the order paper. Then the government changed, and for the past ten years the Indians have been wandering in the wilderness in this regard. Admittedly, the pressure had come from south of the border where the principle of aboriginal rights had been accepted without equivocation. But instead of proceeding to deal with the recognition of long neglected claims, the two succeeding Liberal governments resorted to conferences and, I suggest, devious conferences in many respects.

We had a joint parliamentary committee that went across the country over a period of 12 months. One of the most persistent themes presented to that committee was

on the question of aboriginal rights. When the minister and other government spokesmen say that this question has not been adequately considered, I suggest there is evidence piled upon evidence that the decision is long overdue.

I would also remind the minister that while it might be possible to establish some rights under the treaties, where treaties exist, this will not be a successful solution of the problems of the Innuit people because they never came under any treaties. Until this parliament and government establish and accept the principle of aboriginal rights, there is no possibility of justice so far as the Innuit people are concerned with respect to their outstanding claims. The alternate solution of the government is to perpetuate the program of paternalism that has caused the perpetuation of poverty and the continuation of degradation among the native people of this country.

• (1740)

I shall not speak any longer this afternoon because my position on this matter is well known. Also, I want to have the opportunity to vote on the motion and endorse the principle that has emerged from the parliamentary committee on Indian affairs, and give the government an opportunity to put into effect a statement of the Prime Minister (Mr. Trudeau) who said:

> In a democracy it is all too easy for the majority to forget the rights of the minority and for a remote and powerful government to ignore its requests.

That is a statement made by the Prime Minister of Canada. That government, Mr. Speaker, is no longer a powerful majority; it is a very slim majority clinging, by expendiency, to power. One of the reasons government members on the committee were reluctant to support this resolution is very obvious. It is that he who runs may read—and they have not received the word from this Prime Minister. I suggest to the government that they have the opportunity this afternoon to get themselves off the hook on this subject.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the legislative authority of the Parliament of Canada over native peoples rests on section 91(24) of the British North America Act, "Indians and lands reserved for the Indians." By judicial definition, Eskimos have been included in the category of Indians.

During its two-year study of the Canadian constitution, the Special Committee on the Constitution of Canada, of which I had the honour to be the chairman from this House, heard witnesses from Indian associations across the country. I think it is fair to say that interest among committee members on this subject was high. I understood the hon. member for Brandon-Souris (Mr. Dinsdale), who just sat down, to refer to the work of this committee. It is unfortunate that he adverted only to the number of witnesses who appeared across the country and not to what they said nor to the recommendations of the committee. In light of the hon. member's comments I think it is worth while recalling what the National Indian Brotherhood said through its official spokesman before that committee. As reported on page 16 of the official report of that committee, he said:

> However, we are not yet in a position to recommend in its entirety the proper legal framework for our development as a people.
>
> The issues at stake are far too important for unprepared or unwise action. Aware of the principle that they themselves must forge their destiny, the Indian people must be given the time to assess not only in legal terms but in social and modern terms who they are, what they have and where they want to go before any action which will dramatically affect these considerations, including the constitutional change, is taken.

And further on:

> To require us to act in any definitive sense in regard to the constitution at this point, therefore, is premature and unfair. To act without decisions from the Indian people is unacceptable.
>
> We need time and this is the central message of this brief.

In light of those comments by the National Indian Brotherhood's spokesman, the committee recommended that there should be no constitutional change with respect to section 91(24) of the British North America Act until such time as the native peoples' organizations have completed their research and study into the whole question of treaty and aboriginal rights in Canada.

I heard some of the remarks made by opposition members while I was reading this passage of the report, Mr. Speaker. Hon. members opposite were suggesting that the government was lax in not having answered the problem earlier. In the light of representations of the National Indian Brotherhood to a committee of this parliament when they asked us to wait until they were ready to make their proposals, and the fact that it has only been in the past two weeks that the proposals have come forth, we could not have dealt with this matter earlier. It is appropriate, now that they have had time to formulate their proposals, that we come back to this issue in parliament. I think it is a tribute to the hon. member for Kingston and the Islands (Miss MacDonald) that she has brought this matter forward, but I wish she had shown more understanding of the resolution she is presenting.

I had planned a considerably longer speech, Mr. Speaker, but in the few minutes remaining of the ten which are now allotted I should like to refer to the recommendations made in the National Indian Brotherhood document which has been endorsed in its entirety by the opposition members of the committee. There is a four-point proposal. The first point reads as follows:

> (a) a recognition of the obligations to deal with Indian claims in non-treaty areas of the country. In the areas where Indian people have lost or are gradually losing the use of the land either the full use of the land must be protected or restored or the claims based on Indian title must be dealt with to the satisfaction of the Indian people involved.

You will note, Mr. Speaker, that this says "to the satisfaction of the Indian people involved". This can be interpreted benignly, and we all agree that the claims should be settled to the satisfaction of the Indians. But the Indians are in a bargaining position, and in a bargaining position there is a range of things that people will accept. That is the whole point which the opposition misses.

Do I have to remind hon. members opposite that this is our country too? Would it not be advisable, in a document which they are asking the Parliament of Canada to approve and accept and endorse, that we say what we mean? Do we mean it is only Indians that should approve, or do we mean also the government and Parliament of

Canada. Members opposite are indulging in the irresponsibility of opposition, it seems to me.

The second point is as follows:

(b) in the areas where Indian people still have the use and control of their lands, no encroachment is permissible without the consent of the Indian people involved.

The problem here is that it is not clear how this would differ from the first point. It is not clear how one would distinguish between areas where the Indians are nominally still in possession and where they might be seen to have lost or be losing the use of their lands. There is considerable ambiguity in the line to be drawn between this point and the first point. This should be stated in unambiguous language before we can deal with it. You are asking us to give them carte blanche. If we are going to have a document of the kind to which we are giving consideration, I think we should scrutinize it very carefully.

The third point is as follows:

(c) if treaties meet adequate standards of fairness, a recognition of treaty promises as they were understood by the Indian people. If the treaties fail to meet adequate standards of fairness this failure must be acknowledged and fair and adequate arrangements made to the satisfaction of the Indian people involved.

I would agree that it must be to the satisfaction of the Indian people. I trust it would also be to the satisfaction of the Parliament of Canada. The question that arises is how this fairness is to be judged and what mechanism is to be established to judge it.

The fourth point is as follows:

(d) a recognition of the obligation to restore or, with the consent of the Indian people, to compensate for the loss of specific rights (such as hunting, fishing or trapping rights) which are either preserved in treaty areas or which exist in non-treaty areas as part of unextinguished Indian rights and which have been curtailed by government action.

Before we could give our adherence to such a proposal, we would have to know more particularly whether the rights to which the proposal refers are, for example, rights which are extinguished for the benefit of the Indians themselves. In many cases where there are regulations which may limit hunting or trapping, these are made for the protection of the species which, of course, is for the protection of the Indians themselves. Is it being suggested that when there is such legislation which is for the benefit not just of the white man but also of the Indian, there should be compensation given to the Indian? Perhaps that is the principle this House would want to adopt, but I think we should know whether it is or not.

• (1750)

Despite the fact that there are certain over-generalities in these proposals, we must recognize that the very presentation of this document to the committee and to the House, with the assistance, I might add, of federal money which has been given to these people to enable them to do this, constitutes a major event in our country's history. It marks the first time that such a complete statement has been made by what is now, I think, the national Indian organization as to what they want us to agree to. But we must keep in mind that this is a bargaining position which they are putting forward. We must respond to that bargaining position, but I do not think the Indians expect us to respond by agreeing to everything put forward, as the opposition suggests.

I was hoping to discuss at some length the case of *Calder v. The Attorney General of British Columbia*, and many other matters as well. However, as there are others who wish to gain the floor to speak on this motion, I will yield.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, pursuant to Standing Order 6(5) I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this sitting continue beyond the ordinary hour of adjournment for the purpose of continuing consideration of the motion for concurrence in the second report of the Standing Committee on Indian Affairs and Northern Development.

The Acting Speaker (Mr. Laniel): Order, please. The motion proposed by the hon. member comes under Standing Order 6(5) (b), which reads:

When Mr. Speaker puts the question on such motion, he shall ask those members who object to rise in their places. If ten or more members then rise, the motion shall be deemed to have been withdrawn, otherwise, the motion shall have been adopted.

All those opposed to the motion will please rise.

And more than ten members having risen:

The Acting Speaker (Mr. Laniel): More than ten members being opposed to this motion, the motion is deemed to have been withdrawn.

Mr. Howard: Mr. Speaker, I think the record should show that the Liberal party opposed it.

Mr. Chrétien: Hon. members opposite are trying to play politics, as usual.

The Acting Speaker (Mr. Laniel): The hon. member for Meadow Lake (Mr. Nesdoly).

Mr. Reid: I rise on a point of order, Mr. Speaker. It has been the normal practice of the Chair to alternate in the recognition of speakers. As Your Honour previously recognized the hon. member for Comox-Alberni (Mr. Barnett) it seems to me, in all fairness, that Your Honour ought to recognize a speaker on my side of the House.

Mr. Peters: Then they should stand up, instead of sitting on their fannies.

The Acting Speaker (Mr. Laniel): The hon. member should point out the standing order to which he is referring.

Mr. Knowles (Winnipeg North Centre): You are in the chair, and not the hon. member.

[*Translation*]

Mr. La Salle: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. member for Joliette on a point of order.

Mr. La Salle: Mr. Speaker, I realize there are some problems as to whether an hon. member of the opposition or a government member should be recognized. In order

to settle the problem, I would suggest you recognize one who is half way between, that is an independent member.

The Acting Speaker (Mr. Laniel): Order. I might do so after six o'clock. The hon. member for Meadow Lake (Mr. Nesdoly).

[*English*]

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, this is my third attempt to speak in this debate. The Minister of Indian Affairs and Northern Development (Mr. Chrétien) indicated in his speech one hour ago that there were white men on every reserve when he was appointed in 1968. Let me tell the minister that there was not a white man on such reserves in 1968, although there were some before that date. I live in an area where there are many reserves, and many of the Indian agents had started disappearing from the reserves in the fifties and early sixties.

Mr. Dinsdale: That is right. Let us keep the record straight.

Mr. Nesdoly: The minister also indicated that Indians of this land have been told many things. I immediately ask, who has told them so many things, if not previous Liberal and Conservative administrations? The minister also mentioned British Columbia and said that the province does not want to settle some of the land claims of the Indians. Let me ask this of the minister: What about the Northwest Territories, where the federal government has complete jurisdiction?

Mr. Chrétien: Mr. Speaker, I should like to reply, if the hon. member wants me to. I have offered the Indians the choice and they have decided to choose their land—

An hon. Member: Six o'clock.

Mr. Chrétien: Just let me complete my answer. Do not ask questions if you do not want answers.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Laniel): Order, please. Perhaps the hon. member for Meadow Lake, in the little time available, should be allowed to complete his remarks.

Mr. Chrétien: On a question of privilege, Mr. Speaker, if the hon. member does not want interruptions he should not ask questions but should make a speech.

Mr. Nesdoly: Saskatchewan treaty No. 6 provides:

> The said Indians shall have the rights to pursue their avocation of hunting and fishing throughout the tract surrendered as herein before described—

That treaty refers to the fact that Indians were being given lands for their use and livelihood in addition to their traditional hunting and fishing rights. Now, it seems to me, the Indian people of the Prairies are pretty well confined to their reserves and have lost the fishing and hunting rights which are part of the aboriginal title of the Indian people. Many groups in Saskatchewan also maintain that they have been robbed of much land in their reserves since the original treaties were signed. Let me point out that the minister, in his memorandum of June 21, 1972 said:

> Some bands particularly in the prairie provinces have not received their full land entitlement under treaties. Some have entitlement in areas which are now wholly settled, others have difficulty in deciding on what remaining land they should select. A separate memorandum will be submitted on partial land entitlement.

Mr. Speaker, may I call it six o'clock?

Mr. Chrétien: On a point of order, Mr. Speaker, I should like to point out that a member of the NDP just killed this debate.

Some hon. Members: Question.

Mr. Lefebvre: Six o'clock.

The Acting Speaker (Mr. Laniel): It being six o'clock, this House stands adjourned until tomorrow afternoon at two o'clock p.m.

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, April 12, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

First report of Standing Committee on Justice and Legal Affairs.—Mr. Jerome.

[*English*]

LABOUR, MANPOWER AND IMMIGRATION

Third report of Standing Committee on Labour, Manpower and Immigration—Mr. Portelance.

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

* * *

THE CANADIAN ECONOMY

TABLING OF ECONOMIC REVIEW DATED APRIL, 1973

Hon. John N. Turner (Minister of Finance): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table three copies, in English and French, of the Economic Review dated April, 1973.

TABLING OF REPORT ON PRIVATE AND PUBLIC INVESTMENT IN CANADA

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I should like to table in both official languages copies of the report on Private and Public Investment in Canada.

* * *

ROYAL CANADIAN MOUNTED POLICE

ADDRESS BY ASSISTANT COMMISSIONER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43 concerning the request I made two days ago to the Solicitor General to provide a paper given on the question of internal security in Canada by an assistant commissioner of the Canadian Royal Mounted Police at a private conference held in this city. Given the importance of this matter to the general question of civil liberties and the question of the privileges and rights of all members of this House, I would move:

That the Solicitor General be instructed to table a paper entitled "The Threat from Subversive Elements," by Assistant Commissioner Draper of the RCMP given at a conference in this city on Monday, April 9.

Mr. Speaker: Is there unanimous consent as required under Standing Order 43?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

AGRICULTURE

INCREASE IN PRICE OF FEED GRAIN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43 I wish to move a motion on a matter both urgent and important.

In view of the constant rise in the price of feeds, which contributes to increasing production costs of meat, I move, seconded by the hon. member for Compton (Mr. Latulippe):

That a special debate be held in this House to analyse the real causes that contribute to the astronomical increase in the cost of animal feed.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

[*English*]

FOOD PRICES

PRESENTATION OF PETITION REQUESTING ACTION TO LOWER COSTS

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, today it is my pleasure to present this House with a petition of some 10,000 names demanding some action to lower food costs. The government has stated that it has contingency plans for wage and price controls. I think a petition of this type from my part of the country shows they are needed now and that action is needed now.

Mr. Speaker: Order, please. The hon. member knows that under the terms of the Standing Order he can only lay the petition on the table and not make a speech or present argument in support of the petition.

• (1410)

Mr. Howard: Mr. Speaker, I rise on a point of order. Your Honour proceeded past motions without making reference to—

Mr. Speaker: Order, please. We are at that point now.

* * *

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

On the order: Motions:

April 4, 1973—Mr. Howard:

That the Second Report of the Standing Committee on Indian Affairs and Northern Development, presented to the House on April 4, 1973, be concurred in.

Mr. Howard: Mr. Speaker, I would not want to cut into the time of the House set aside today for the important question of the income tax bill. I wonder, therefore, if I could get unanimous consent to have the motion standing in my name put without debate.

Mr. Speaker: This would, of course, require the unanimous consent of the House. I believe the hon. member is referring to the first motion standing in his name. The hon. member appreciates that in view of the well established practice of the House the motion cannot be debated in any event. If the hon. member suggests there might be unanimous consent for the motion, I might inquire.

Some hon. Members: No.

Mr. Speaker: Obviously there is not unanimous consent. The motion, therefore, cannot be put at this time.

[Mr. Speaker.]

CANADIAN CITIZENSHIP ACT

PROVISION OF SAME RESIDENCE REQUIREMENT FOR ALIEN HUSBAND AS FOR ALIEN WIFE

Mrs. Grace MacInnis (Vancouver-Kingsway) moved for leave to introduce Bill C-175, to amend the Canadian Citizenship Act (equal residence requirements accorded alien spouses of Canadians).

Some hon. Members: Explain.

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, at the present time an alien wife of a Canadian citizen may be granted citizenship when she has resided in Canada for only one year, but an alien husband of a Canadian wife must have resided for five years.

The purpose of this bill, therefore, is to amend the Canadian Citizenship Act to provide that there is no difference between the residence requirements for the acquisition of Canadian citizenship by an alien husband and an alien wife of a Canadian citizen.

Some hon. Members: Hear, hear!

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

ORAL QUESTION PERIOD

FINANCE

EFFECT ON PROPOSED TAX CUTS FOR CANADIAN INDUSTRIES OF U.S. PRESIDENT'S PROPOSAL RESPECTING TAXATION OF AMERICAN SUBSIDIARIES ABROAD

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the request to Congress by the President of the United States for authority to tax the incomes of U.S. subsidiaries abroad in certain instances at U.S. corporate rates, one of these instances being where lower taxes in the foreign country are a factor in the decision of the subsidiary to invest, has the minister given consideration to this and the distinct possibility that his proposed tax cuts for manufacturing and processing industries could result simply in swelling the treasury of the United States in the case of certain investments by U.S. subsidiaries?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, all we have at the moment is the text of the President's message to Congress. We do not have a text of the proposed bill as we do in the case of the trade reform bill which the President put forward in textual form to Congress. We are, of course, studying this matter very closely. We need a little more precision before an answer can be given to the Leader of the Opposition.

Mr. Stanfield: Is it the intention of the Minister of the Finance to contact the appropriate authorities in the

United States in order to secure more information as to the precise terms of the bill to be submitted to Congress?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Speaker.

Mr. Stanfield: Does the government intend to proceed with the proposed tax cuts affecting manufacturing operations in Canada even in those instances where the benefit of those tax cuts, or a substantial part of it, will simply go to a foreign treasury?

Mr. Turner (Ottawa-Carleton): I would think we would have to obtain the clarification the hon. gentleman was seeking before making a final decision in that regard.

* * *

TRADE

PRESENTATION OF STATEMENT ON REGIONAL DEVELOPMENT PROGRAMS TO UNITED STATES IN LIGHT OF PRESIDENT NIXON'S PROPOSED TRADE AND TAX LEGISLATION

Mr. Elmer M. MacKay (Central Nova): I have a supplementary question for the Minister of Industry, Trade and Commerce. In the light of the Michelin episode, is the government preparing a formal and complete statement on our regional development programs in relation to President Nixon's proposed legislation concerning unfair trade and tax policies and, if so, when will it be presented to the United States government?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I think the hon. member should perhaps address his question with respect to regional expansion plans to my colleague, the Minister of Regional Economic Expansion. But as to the broad generality of the question I think it is fair to say we shall be watching the trading impact of these measures very carefully. I am sure the hon. member will welcome, as I do, the decision of the United States administration to enter into consultation with us at an early date in connection with the Michelin countervailing duty finding.

Mr. MacKay: Can the minister tell us how the United States study of the Michelin Tire case is proceeding? Has he received any indication of the progress being made and, if so, will he inform the House now or on motions as early as possible?

Mr. Gillespie: We have received a reply to our formal note presented some six weeks or two months ago requesting consultation. The United States government has stated it will be very pleased to enter into consultation with us and we look forward to these talks taking place at an early date.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Hamilton Mountain for a last supplementary and then the hon. member for Brant.

FORMAL PRESENTATION TO UNITED STATES OF CANADIAN POSITION RESPECTING BURKE-HARTKE BILL

Mr. Duncan M. Beatty (Hamilton Mountain): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. In light of the fact that the government has presented no formal position, in writing or otherwise, to the United States government in connection with the Burke-Hartke bill, and bearing in mind the serious implications of this bill, if passed, for our trade, can the minister undertake to prepare a formal and detailed position on the bill and present it to the United States government immediately?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): As the hon. member no doubt realizes, the Burke-Hartke bill is a bill prepared by a United States Congressman and a United States Senator and presented to their respective Houses. There are various ways in which we can make our views on the contents of this bill known, and I can assure the hon. member we are using the normal channels with efficiency.

* * *

MANPOWER

HIRING OF SECRETARIAL ASSISTANCE BY GOVERNMENT DEPARTMENTS FROM PRIVATE AGENCIES RATHER THAN THROUGH OTTAWA MANPOWER OFFICE

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Will the minister inform the House whether responsible officials of Manpower in the Ottawa area have investigated the practice of a number of government departments and agencies in Ottawa which hire secretarial assistance from private placement agencies rather than through the Manpower office, paying $4.25 an hour to the agency which, in turn, pays only $2.65 an hour to the employee?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I shall investigate that situation with all haste.

Mr. Blackburn: When making inquiries about this practice, would the minister attempt to find out why the Unemployment Insurance Commission, for which he is responsible, paid a private placement agency at a rate of $170 a week for secretarial assistance rather than go to the Manpower office for which the minister is also responsible?

* * *

• (1420)

[*Translation*]

INDUSTRY

ASSISTANCE TO SMALL BUSINESSES—COMPOSITION OF CONSULTATIVE COUNCIL—DEPARTMENTAL OBJECTIVES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the hon. Minister of Industry, Trade and Commerce.

Since it is the task of the Department of Regional Economic Expansion to promote employment in the country's poorer areas and also to assist small business, can the hon. Minister of Industry, Trade and Commerce tell us how he can help the Department of Regional Economic Expansion achieve this goal when 37 of 40 members of the advisory council are owners or presidents of Canada's major businesses, located in this country's major cities in the most prosperous regions?

Mr. Speaker: Order. The hon. minister might perhaps reply briefly to the hon. member's question. I am sure, however, that the hon. member for Shefford will be the first to recognize that he has expressed an argument rather than a question. However, to be fair to the hon. member for Shefford, I am prepared to give the floor to the hon. minister if he wants to reply briefly.

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, very briefly, my colleague the Minister of Regional Expansion and myself do not require an advisory council to tell us how we should address ourselves to the problems of small business. I am sure the hon. member will appreciate that we are in constant consultation and so are our departments.

[*Translation*]

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

Could the hon. Minister of Industry, Trade and Commerce tell the House whether the activities of his department are in agreement with those of the Department of Regional Economic Expansion as regards assistance to small business and especially employment in the poorer areas?

[*English*]

Mr. Gillespie: Mr. Speaker, we have a basic responsibility for trying to develop the health, viability and competitiveness of manufacturing industry throughout the country and, as well, the health, viability and service of the tourism industry of Canada. I think that our responsibilities and the special but distinct responsibilities of my colleagues are complementary.

[*Translation*]

COMPOSITION OF CONSULTATIVE COUNCIL—
DISCUSSION WITH MINISTER OF REGIONAL ECONOMIC EXPANSION

Mr. André Fortin (Lotbinière): I wish to ask a supplementary question, Mr. Speaker.

In view of the statement made by the hon. minister as to existing common interests between both departments, could he tell the House whether there has been consultation with his colleague, the Minister of Regional Economic Expansion, as to the selection of the 37 members of the advisory council who represent large enterprise only?

[*English*]

Mr. Speaker: The hon. member for Burnaby-Richmond-Delta.

[Mr. Rondeau.]

Mr. Reynolds: Mr. Speaker, my question is for the right hon. Prime Minister.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order. The hon. member for Lotbinière on a point of order.

Mr. Fortin: Mr. Speaker, I believe the minister was about to answer but the interpretation did not reach him on time. I would like to ask him again if there was consultation between the two departments.

Mr. Speaker: Order. The hon. member has already asked this question. I guess that during the last 30 seconds the question must have reached the minister; maybe he can answer right away. I was not under the impression that he intended to answer, but if he wants to, I will recognize him.

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, as I have indicated, there is a very high degree of consultation among ministers on this side of the House. The point that I should also like to make clear to the hon. member is that my advisory council is not just composed of big businessmen; it is also composed of businessmen representing smaller businesses situated in all corners of the country.

* * *

CONSUMER AFFAIRS

PETITION FOR CONTROLS ON FOOD PRICES—
GOVERNMENT POSITION—POWERS OF PROPOSED PRICES REVIEW BOARD

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the right hon. Prime Minister. In view of the petition presented today from British Columbia residents, and in view of the many other similar requests from both consumer and producer groups, is the Prime Minister now prepared to acknowledge officially that there is a growing demand for direct controls, as has been recommended by the Leader of the Opposition and others?

Right Hon. P. E. Trudeau (Prime Minister): Equally, Mr. Speaker, I met a group yesterday that was against controls as suggested by the Leader of the Opposition.

An hon. Member: That was the cabinet.

Mr. Trudeau: I suppose there is a growing demand for all kinds of things in this country.

Mr. Reynolds: Is the government going to set out the powers and directions for the prices review board and, if so, when will these guidelines be brought before the House?

Mr. Trudeau: Mr. Speaker, the hon. member might want to direct his question to the minister who spoke on this subject in the House a couple of days ago.

Mr. Reynolds: Mr. Speaker, I have another question for the right hon. Prime Minister. Will the Special Committee on Trends in Food Prices be discontinued after the prices review board is set up?

FOOD PRICES—GOVERNMENT ACTION ON REPORT OF SPECIAL COMMITTEE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. What action does the government propose to take since receiving the report of the Special Committee on Trends in Food Prices to aid and assist the hardpressed consumers of this country, other than setting up a new and equally ineffective prices and incomes commission under the guise of a prices review board?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would refer my hon. friend to my statement in the House on Tuesday.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. Would he indicate clearly his position on recommendations 2, 4 and 6 of the report of the Special Committee on Trends in Food Prices, which deal with consumer protection, consumer education and consumer representation, and which clearly apply to all consumer items and not just food which is the only focus of the toothless and misguided recommendation—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I suggest that the minister would have to do that on motions rather than by way of a reply to a question.

* * *

VETERANS AFFAIRS

BASIC RATE OF PENSION—GOVERNMENT POSITION ON JOINT STUDY REPORT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of Veterans Affairs and is a follow-up to a question I asked yesterday. In view of the fact that the joint study report on the basic rate of pension recommended a new formula basing annual increases on the increase in the average wage of the five lowest categories in the Public Service rather than on the cost of living index, would he advise the House whether the government is accepting this formula in considering amending legislation on disability pensions?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, this recommendation is now before the government.

An hon. Member: Where it was yesterday.

Mr. MacDonald (Cardigan): I hope to have a report for the House on this subject before very long.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, will the minister be able to make a statement on this matter to the House before we rise for the Easter recess?

Mr. MacDonald (Cardigan): Mr. Speaker, if a statement is available to me I will make it available to the House.

Some hon. Members: Oh, oh!

An hon. Member: Who is running this department?

Mr. Marshall: Mr. Speaker, after three months the Minister of Veterans Affairs is learning very quickly from his colleagues how to be evasive. Since this is very important so far as the veterans are concerned, and in view of the fact he accepts the recommendation of the joint study, will he make a statement on motions before we recess for Easter?

Mr. MacDonald (Cardigan): I would give the same answer that I gave to the other hon. member. If I have a statement to make I will sure make it.

Some hon. Members: Oh, oh!

An hon. Member: Stay in there, Jack.

* * *

NATIONAL SECURITY

REASONS FOR NOT MAKING AVAILABLE ADDRESS BY RCMP OFFICER TO MEETING ON INDUSTRIAL SECURITY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Solicitor General. Will he inform the House as to his reasons for deciding not to make available to members of this House the address delivered by a senior official of the RCMP to hundreds of businessmen at a private meeting in Ottawa a few days ago?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have already made available to the hon. member one of the papers presented at the meeting which did not deal with matters that were considered to be security.

Mr. Broadbent: That is not the one.

Mr. Allmand: A second paper did deal with matters that were of a security nature. I must say that this paper was not given to a group of businessmen; it was given to a group of industrial security officers—

Some hon. Members: Oh, oh!

Mr. Allmand: —who work in close conjunction with the government on defence contracts and similar matters. I looked into the matter to see if it could be given to the hon. member, but it would be against the public interest to make this information available.

Some hon. Members: Oh, oh!

Mr. Broadbent: Mr. Speaker, would the Solicitor General inform the House whether it is government policy to

permit senior RCMP officials to collaborate, and I use that word with care, with private interest groups by divulging to them confidential information about other Canadians?

Mr. Allmand: Mr. Speaker, when it is in the interest of the government and Canadian security we do so.

• (1430)

Mr. Broadbent: Given the profound importance of this question to the existence of civil liberties in Canada, would the minister agree to appear, along with Assistant Commissioner Draper before an early session of the Standing Committee on Justice and Legal Affairs to explain the nature and purpose of the investigation supervised by Assistant Commissioner Draper?

Mr. Allmand: Mr. Speaker, I have been ready to go before the Standing Committee on Justice and Legal Affairs with my estimates for several weeks. I am prepared to go as soon as possible. Whether we can discuss matters of a security nature at the meeting is another question, but I am willing to give the committee as much as possible. In this regard I am taking the same position on this matter as former conservative and other governments.

* * *

CANADA DEVELOPMENT CORPORATION

POLICY RESPECTING RETENTION OF CANADIAN OWNERSHIP OF BUSINESSES

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the announcement earlier this week in Vancouver of the purchase of shares in Ventures West Capital Limited by the Canadian branches of the Mitsubishi and Mitsui companies, which are two of Japan's largest trading companies, could the minister inform the House if the stated policy of the Canada Development Corporation has been changed in respect of foreign ownership of Canadian companies, particularly those in the natural resource field?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, in listening to the question it seemed to me to be a highly technical one. It is not one I am prepared to answer now, but I would be very happy to seek the information the hon. member desires.

Mr. Speaker: Order, please. The hon. member may ask a supplementary and I believe the hon. member for Winnipeg North has a supplementary to the previous question. He will be recognized next.

Mr. Clarke (Vancouver Quadra): Mr. Speaker, perhaps I could simplify the question for the minister. Is it the policy of the Canada Development Corporation to encourage the retention of Canadian ownership of Canadian businesses?.

Mr. Gillespie: Mr. Speaker, I do not think that particular question should be directed to me. I am not the minister who reports to parliament for the Canada Development Corporation.

[Mr. Broadbent.]

* * *

NATIONAL SECURITY

ADDRESS BY RCMP ASSISTANT COMMISSIONER TO INDUSTRIAL SECURITY OFFICERS—CLEARANCE OF THOSE IN ATTENDANCE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a supplementary question to the Solicitor General. Can he tell the House whether every one of the industrial security officers who listened to the speech by the Assistant Commissioner of the RCMP was cleared by the RCMP or any other agency of government for security so that they were permitted to listen to the speech about security, the details of which cannot be given to Members of Parliament?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I would have to check into that. I do know that a good number of these industrial security officers were former members of the RCMP.

Mr. Orlikow: Mr. Speaker, I wonder if the minister really intended to tell Members of Parliament that there are private citizens who are entitled to get details about security problems in this country that Members of Parliament are not entitled to get?

Mr. Allmand: Mr. Speaker, I have taken the position that I will give as much information as possible to Members of Parliament. It is for that reason I have invited the Justice and Legal Affairs Committee to visit the premises of the Police and Security Planning and Analysis Group for briefing. I am also attempting to make as many other reports as possible available, but where the security of the country is involved I do not think we are able to give reports on security matters to all Members of Parliament or to make them public generally.

Mr. Speaker: Order, please. There are many supplementaries on this subject. Is the hon. member for Edmonton Centre rising on a supplementary?

Mr. Paproski: No, Mr. Speaker. This is a new question.

Mr. Speaker: The hon. member for Edmonton Centre.

* * *

THE SENATE

FILLING OF VACANCIES—CONSULTATION WITH OPPOSITION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Prime Minister. In light of the nature of the present parliament, would he tell the House whether he is soon going to fill all the vacancies in the other place and, in light of the balance in the House, is he going to consult with the opposition on those appointments?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the first part of the question the answer is, not immediately. On the second part of the question the answer is that such consultations have taken place at times.

* * *

MANPOWER

ALLEGED GREATER DIFFICULTY FOR FEMALE UNIVERSITY STUDENTS TO GET SUMMER JOBS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. A survey of 20,000 students conducted by the minister's own department at 64 universities and colleges revealed that women post-secondary school students seeking summer work not only had a tougher time getting jobs but were paid substantially less. Will the minister undertake to make a special effort to see that this inequity does not continue this summer?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, to the degree it is within my power I certainly would join the hon. member in endorsing equal treatment for women as for men. I know my colleague, the Minister of Labour, who reports to parliament on the government's actions with regard to the status of women, feels exactly the same way. I think we are doing everything in the federal domain that we can to that end.

* * *

[*Translation*]

FINANCE

INCREASE IN INTEREST RATES—MEASURES TO CURB INFLATION

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the hon. Minister of Finance.

In view of the increase in interest rates of the Bank of Canada and two chartered banks, could the minister state whether the government intends to take other action to curb the inflation due to the causes we are aware of, and what action will it take to completely do away with inflation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have already revealed some of the means the government is considering in the budget speech of February 19.

[*English*]

SUGGESTED STUDY OF MODIFICATION OF BRANCH BANKING SYSTEM TO EASE BURDEN OF HIGH INTEREST RATES ON SLOW GROWTH AREAS

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Finance. Will the minister consider instituting a study of modifications of the branch banking system designed to ease the burden of universal high interest rates on areas of slow economic growth.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the governor of the bank and I when we were in communication with the banks as a result of the rise in the bank rate made it clear to them that we expected that in their loan policy they would give special attention to small Canadian-owned businesses and to businesses in slower growth areas of the country. I noticed with a good deal of satisfaction that the banks in announcing the increase in the prime rate made those observations and will accord those priorities.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the minister's request that the banks give special consideration to small businesses and slow growth areas, am I correct in inferring that there is in fact a restrictive policy in effect generally, that bank credit will have to be rationed, and that it is for this reason the Minister of Finance has asked that special consideration be given to small business?

Mr. Turner (Ottawa-Carleton): No, Sir. The expansion in loans has never been greater. The banks will be able to respond to any legitimate search for credit, but in allocating this they have deemed it advisable in the interests of the country to give special priority to small businesses and particularly in slower growth areas.

Mr. Stanfield: Mr. Speaker, if there is ample money to meet proper loans, why has the minister found it necessary to ask the banks to give special consideration and priority to small business? He cannot have it both ways.

* * *

[*Translation*]

MANPOWER

ALLEGED HIRING OF STUDENTS FROM FRANCE TO PICK TOBACCO IN ONTARIO—PROVISION OF EMPLOYMENT FOR CANADIAN STUDENTS

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Since the employment of students during the summer is a major problem, I would like the minister to state whether it is true, as reported in the newspaper *Le Soleil* of April 4, 1973, that the Department of Manpower and Immigration pays all expenses for 250 students from France who wish to work in Ontario for the tobacco crop?

Mr. Speaker: I will allow the minister to answer this question since it has been put directly. The hon. member knows that he may not ask a minister to either deny or confirm an item published in a newspaper. Be that as it may, we may agree that the question has been put directly and the minister may answer it briefly.

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, no such payment of transportation or other costs is being made by the government. Last year there were negotiations to bring in some foreign students which were entered into before the employment visa program was introduced, and it was deemed neces-

sary to honour that contract. But no such expenses are being paid.

• (1440)

Mr. Speaker: The hon. member for Wellington.

Mr. Hales: I should like to address a question—

Mr. Speaker: I apologize to the hon. member.

[*Translation*]

Is the hon. member for Lapointe rising on a supplementary.

Mr. Marceau: Yes, Mr. Speaker.

Can the hon. minister assure the House that his department has taken the steps required to prevent this project from causing prejudice to Canadian student labour available for the same kind of work?

[*English*]

Mr. Andras: Mr. Speaker, we did introduce employment visas the other day, and I made a statement before the standing committee indicating that, although foreign students in Canada as of January 1, 1973, would be able to seek jobs without employment visas other than under the existing law, future foreign students coming to the country would be subject to the regulation about Canadian preference for jobs where Canadians are available.

Mr. Speaker: The Chair will recognize the hon. member for Wellington. I believe the hon. member for Gander-Twillingate has a supplementary question and I will come to him in a moment.

* * *

INCOME TAX

REQUEST FOR EXTENSION OF DEADLINE FOR FILING RETURNS

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Minister of National Revenue. In view of the fact that there are only 18 days left for filing 1972 income tax returns, and in view of the fact that thousands of Canadians have found it necessary to hire experts and other consultants to fill out these forms and these sources of assistance are taxed to capacity and will not be able to complete the forms in time, would he consider extending the filing date?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, the returns are coming in at the usual rate this year, with an unusually low rate of errors in them. I must say that the indication so far is that a much lower percentage of Canadians are using any kind of tax consulting services—

Some hon. Members: Oh, oh!

Mr. Stanbury: —than are the Americans.

Mr. Bell: How about Fred Davis?

An hon. Member: How about Indonesians and Italians?

An hon. Member: How about Eskimos?

[Mr. Andras.]

An hon. Member: How about the weather?

Mr. Speaker: Order, please. I hope the minister will reply to the question as briefly as possible, and then we will try to proceed.

Mr. Stanbury: The question of the extension of time has been carefully considered, and after considering all the elements of it—

Mr. Stanfield: And the weather.

Mr. Stanbury: —it has not so far been shown that there would be any advantage to the public in any extension.

Mr. Fairweather: Paul Martin is in the other place. You don't have to copy him.

Mr. Hales: Would the minister not agree that the reason that more forms are coming in correctly filled is the fact that people have hired experts to fill their forms for them?

Mr. Speaker: Order, please. This is obviously an argument between the minister and the hon. member. The hon. member for Gander-Twillingate has a supplementary question.

* * *

FINANCE

BANK OF CANADA INTEREST RATE INCREASE—REQUEST FOR TABLING OF ANY WRITTEN COMMUNICATIONS BETWEEN MINISTER AND GOVERNOR

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Finance. Can he say, in respect of the increase in the interest rate by the Bank of Canada, if there were any formal communications between him and the governor of the Bank of Canada regarding the over-all rate, not specifically regarding the regional development program, any letters, documentation, memoranda or briefs of any sort, and would he be prepared to table such documentation?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker; advance consultation was verbal.

Mr. Lundrigan: As this is obviously a major shift in government policy, whether it is done by the back door through the Bank of Canada or with courage if the government had the courage to do it, is the minister saying that this major change in policy, which will have such a restrictive effect as a result of the concomitant interest rate raises, was adopted without any formal communications between him and the governor of the Bank of Canada and that we are going to have this restrictive policy now in regional development without any consultation of a formal nature?

Mr. Turner (Ottawa-Carleton): I do not accept either the preamble or the substance of the hon. member's statement, so the rest is superfluous.

Mr. Speaker: Order, please. I suggest to hon. members that we are getting involved in so many supplementary

questions that we are not making much progress. Some hon. members in the fourth and fifth rows have questions. I will recognize the hon. member for Qu'Appelle-Moose Mountain on a supplementary question and then the hon. member for Fraser Valley West.

INQUIRY AS TO REQUEST BY WESTERN CANADA GROUP TO ESTABLISH BANK

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is for the Minister of Finance. Has the minister received any preliminary contact from a group of people in western Canada about the setting up of a western Canadian bank?

Hon. John N. Turner (Minister of Finance): No, Sir, but the hon. gentleman's question is rather vague. The answer is no, so far as I know, in response to the words of his question.

* * *

SHIPPING

SUGGESTED ESTABLISHMENT OF SHORE-BASED TRAFFIC DIRECTION SYSTEM FOR WATERS BETWEEN VANCOUVER ISLAND AND MAINLAND

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the Minister of Transport and it recognizes the grave public concern about possible future oil spills on both our coastlines. In view of the fact that up to 500 medium-size oil tankers, most of them of foreign registry, and hundreds of towed barges are using the inside passage between Vancouver Island and the mainland of British Columbia each year, when is the minister going to establish a shore-based traffic direction system in that heavily congested region?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the west coast communication system is sophisticated enough and I do not believe that it has caused any serious accident or incident. I wish the hon. member would elaborate on his question.

[*English*]

Mr. Rose: According to some people who use these passages in this congested area, the bridge to bridge system is definitely not working. I should like to ask the minister if he has instructed or intends to instruct his technical staff to investigate direction systems such as the Decca system used in Europe for adaptability on Canada's west coast?

Mr. Marchand (Langelier): Mr. Speaker, I am ready to look at it and will have the department make a report. We may be able to give a more precise answer some other day.

[*Translation*]

NATIONAL CAPITAL

GATINEAU PARK—ALLEGATION THAT ANNOUNCEMENT OF LAND TRANSFER WITH QUEBEC WAS PREMATURE

Mr. René Matte (Champlain): Mr. Speaker, I wish to put a question to the Minister of State for Urban Affairs.

On March 9 last, the minister made a statement concerning an exchange of land between the federal government and Quebec.

As it was said in the Quebec National Assembly that this statement was premature, could the minister give us more details about this agreement?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, a long statement was made at the time as to an exchange, not of ownership of property but an agreement between the province of Quebec and the National Capital Commission for the exchange of administration of land. The province of Quebec and the city of Hull, if one wants to evaluate it, got the administration of about $3 million worth of property, and the NCC got the administration of about $1 million worth of property.

* * *

GOVERNMENT ADMINISTRATION

DEVELOPMENT OF DEPARTMENTS OR SERVICES IN WESTERN CANADA OR TRANSFER TO WEST

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a question for the Minister of Public Works. In view of the minister's recent statement that the government is planning a $250 million building program in six cities, and in view of the fact that this appears to be mainly a consolidation of existing services there, will the minister state what new departments or services will be developed in or transferred to western Canada?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, it is not up to the Minister of Public Works to direct the inflow or outflow of public servants. We only provide buildings to receive them.

Mr. Roche: My question is directed to the right hon. Prime Minister. In view of the unsatisfactory answers we have been receiving to questions concerning development in western Canada, will the Prime Minister allow Members of Parliament from western Canada to attend and somehow take part in the western economic conference to be held in Calgary this summer?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am prepared to examine various ways in which we can get more satisfactory questions from western members.

• (1450)

SPORTS

DATE OF ANNOUNCEMENT OF GRANTS UNDER STUDENT ATHLETES PROGRAM

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Can the minister inform the House—

Mr. Speaker: Order, please. The hon. member for Elgin is trying to ask a question.

Mr. Wise: Thank you, Mr. Speaker. Can the minister inform the House when the final selections will be made for the grants in aid under the student athletes program?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am unable to give a definite date to the hon. member but I would hope that in the first part of May these grants would be announced. I will investigate and give the hon. member a specific date.

* * *

MANPOWER

NOTICE TO CONSULTATIVE SERVICE BY INTERNATIONAL NICKEL OF POSSIBLE LAY-OFFS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Has the Manpower consultative service of his department been informed by International Nickel Company of the possibility of 3,000 lay-offs by INCO later this year?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I shall have to take this question as notice and advise the hon. member.

Mr. Rodriguez: Will the minister inquire whether this agency has been contacted by INCO with respect to this situation and would he inform the House of the results?

* * *

TRANSPORT

SOUTHWESTERN ONTARIO RAILWAY PASSENGER SERVICE—RELATION OF TRANSPORT COMMISSION STUDY TO REINSTATEMENT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is directed to the Minister of Transport and arises from the statement made by the Chairman of the Canadian Transport Commission that it had been asked to prepare a study on the totality of passenger needs in Southwestern Ontario. Can the minister tell the House whether the reinstatement of rail passenger service in southwestern Ontario is contingent upon receiving a report in six months time first?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I met last week with the hon. Mr. Carton of the government of Ontario and we discussed this problem of commuter services and trains in southwestern Ontario.

We reached certain conclusions and we are supposed to get together and try to finalize some kind of understanding.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): May I ask the minister when he expects to be able to report to the House what steps that will be taken for southwestern Ontario?

Mr. Marchand (Langelier): Mr. Speaker, it is very difficult for me to say to the hon. member at what time we will be ready because we have to have further negotiations with the government of Ontario, and Canadian National will have to appear before the CTC because before installing a new line or abandoning one we have to have the agreement of the CTC. I do not know how many weeks all this will take.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

STUDY OF DECENTRALIZATION OF OFFICES—REQUEST FOR REPORT

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask a question of the hon. Minister of Manpower and Immigration.

He said previously in the House that the department officials were considering the possibility of decentralizing the administrative services of the Unemployment Insurance Commission. Would the hon. minister inform the House now or in the near future as to the decision reached on this subject?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the decision is very close and I think I will be making an announcement in the not too distant future.

* * *

POLLUTION

SEARCH FOR METHOD TO RAISE SUNKEN "IRVING WHALE" AND REMOVE THREAT OF OIL SPILL

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I direct a question to the genial Minister of Transport. In light of the recent statement by the Premier of Prince Edward Island to the effect that he is satisfied with the steps not being taken to raise the *Irving Whale* or its cargo, can the minister advise if he has now abandoned his laudable search for a method to raise this ship or its cargo from the St. Lawrence?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker.

[*Translation*]

CONSUMER AFFAIRS

HYDRO-QUEBEC RATE INCREASE—REQUEST FOR REVIEW OF DECISION

Mr. Albert Béchard (Bonaventure-Îles de la Madeleine): Mr. Speaker, I have a question for the hon. Minister of Consumer and Corporate Affairs.

In the interests of consumers living within the boundaries of the province of Quebec, does the minister intend to urge the Quebec government to reconsider its decision on the 11 per cent rate increase that Hydro-Quebec has just been granted, or to ask it to postpone putting the new increase into effect until an unspecified later date?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, it seems to me that this is a provincial question, but I shall be glad to discuss it with my Quebec counterpart.

* * *

[*English*]

HEALTH

POSSIBLE INCLUSION OF OPTOMETRICAL SERVICES UNDER NATIONAL HEALTH PLAN

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Has any final decision been reached with regard to the discussions that have gone on for over a period of years with the provinces concerning the inclusion of optometrical services in the national health plan?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, we have scheduled a meeting with the health minister for the beginning of May, to talk about the financing of health services. We will certainly have occasion to discuss a number of other health problems. I am sure that this question will come up too, but there is at present no solution to the problem.

[*English*]

Mr. Muir: May I ask the hon. gentleman if he is in agreement with the terms in which his predecessor always replied to me, that whenever a conclusion was reached, a consensus was reached, etc. etc., with the provinces, he would be prepared to go ahead with it?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I shall answer in a general way, and say that the government is always very happy to work closely with the provinces, and that we are never happier than when there is agreement between the two levels of government.

[*English*]

Mr. Speaker: The hon. member for Provencher.

Mr. Epp: Mr. Speaker, I was going to ask a question of the Postmaster General. He just slipped in for the first time and went out again after half a minute so I will have to wait until he is back in the House.

LEGAL AFFAIRS

SUGGESTED TRAINING OF PARA-LEGAL PERSONNEL

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Justice. In view of the statement by the Premier of Saskatchewan several weeks ago that para-legal personnel should be trained in order to bring down legal costs for the average citizen, can the minister tell the House whether his department is giving any thought, in consultation with the provinces, to training para-legal personnel?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it occurred to me when I saw that statement to ask whether the Premier of Saskatchewan had read my speech to the Canadian Bar Association in Montreal last September. The matter of para-legal service is rather within provincial jurisdiction and, indeed, within the specific jurisdiction of law societies which can, by changing their rules or adapting their rules, make it possible for the development of such services.

* * *

POST OFFICE

RE-EXAMINATION OF REQUIREMENT FOR ESTABLISHMENT OF RURAL ROUTES IN WESTERN CANADA

Mr. Jake Epp (Provencher): Mr. Speaker, my question is for the Postmaster General. In view of continuing population decreases in western Canada, a trend which has been accentuated by the difficulty of providing government services in remote areas, are the minister or his officials giving any consideration to re-examining the requirements that must now be met in order for rural routes to be established in those areas where small postal stations have been closed?

Hon. André Ouellet (Postmaster General): Yes, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Provencher may ask a supplementary and then the Chair will recognize the hon. member for Scarborough East.

[*Translation*]

I believe the hon. member for Lotbinière wishes to ask a supplementary. I will recognize him for that purpose, after which we will have to call orders of the day.

[*English*]

Mr. Epp: Mr. Speaker, in view of the answer given by the Postmaster General, would he undertake to look at specific rural routes, because we have often been asked on this side of the House to be more specific in our questions?

Oral Questions

AIR TRANSPORT

SUGGESTED PROVISION OF SHUTTLE SERVICE BETWEEN TORONTO-MONTREAL AND TORONTO-OTTAWA

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, a few weeks ago I asked the Minister of Transport a question concerning the possibility of shuttle services being provided by Air Canada between Toronto and Montreal and between Toronto and Ottawa. The minister indicated that he would hold consultations with Air Canada. Has this been done and what is the result?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker, I got in touch with Air Canada. As you know, we have a rapid air service between Montreal and Toronto. It has been improved since last summer. However, it has not reached a point where it is done on a non-reservation basis. They are improving their system and looking to its expansion to other cities in Canada, but they are not to the point of establishing such a service for the cities mentioned by the hon. member.

* * *

[*Translation*]

CONSUMER AFFAIRS

HYDRO-QUEBEC RATE INCREASE—REQUEST FOR REVIEW OF DECISION

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to ask the hon. Minister of National Revenue whether the government is intending to send an official protest note to the Quebec government, as it has received one from the latter, in connection with the increase in the cost of living and the fight against inflation and more precisely about the increase of Hydro-Quebec rates.

Hon. Robert Stanbury (Minister of National Revenue): I think this question should rather be directed to my colleague the Minister of Consumer and Corporate Affairs.

• (1500)

[*English*]

Mr. Speaker: I believe the hon. member for Edmonton-Strathcona wishes to rise on a point of order as I call orders of the day.

Mr. Roche: Mr. Speaker, since this parliament began I and other Members of Parliament from western Canada have been asking intelligent questions about the development of western Canada. A few moments ago the Prime Minister put me down by saying I was not asking intelligent questions. I just want to tell you, Mr. Speaker, that that kind of put-down attitude is what cost the Prime Minister dearly in the last election and will cost him just as much in the coming election.

Mr. Epp: Mr. Speaker, I rise on a question of privilege on the very same matter raised by my colleague. It has to do with the answer to the question I asked the Postmaster General. We are trying to get better services in western Canada. The type of answer we are getting from the Prime Minister simply indicates arrogance and the fact that he is not willing to accept his responsibilities.

[Mr. Epp.]

Mr. Speaker: Perhaps hon. member will allow the Chair to call orders of the day.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacLean: Mr. Speaker, before the first order of business is called, may I ask the government House leader if he will indicate the sequence in which he expects to place government business before the House in the period between now and when the House rises for Easter?

Mr. MacEachen: Yes, Mr. Speaker. I should like to advise my hon. friend that today we will continue with the committee stage of the income tax bill and, hopefully, when we complete that bill we will turn to the Excise Tax bill and the Customs Tariff bill, to be followed by the CNR financing bill and possibly the crop insurance bill. My hope is that I will be able to call for a short time the debate on the food prices committee report, which was dealt with for one day earlier this week.

Mr. Lundrigan: Mr. Speaker, I wonder if the House leader can indicate whether we can expect the new, modified FISP bill to be presented to the House before we rise for Christmas—for Easter, rather.

Some hon. Members: Oh, oh!

Mr. MacEachen: Mr. Speaker, the family allowances bill will not be dealt with or brought forward before the Easter recess.

Mr. Lundrigan: What about Christmas?

Mr. MacEachen: I hope it will be brought forward soon after our return from the Easter recess.

Mr. Guay (St. Boniface): On a question of privilege, Mr. Speaker, I notice that today the hon. member for Crowfoot is wearing something over his right eye. As you are aware, Mr. Speaker, the hon. member is also chairman of the transport committee. I want to assure you and members of this House that I had nothing to do with it.

Mr. Horner (Crowfoot): Mr. Speaker, I rise on a question of privilege. To my friends, colleagues in the House and political enemies may I say I should like to take credit for the handicap from which I am now suffering, which was caused by a piece of metal. It got in my eye when I was putting on my new Alberta license plates. The wild rose, as you know, is our flower and our license plates are very good, but I was handicapped somewhat by a bolt—

An hon. Member: You were hit in the eye.

Mr. Horner (Crowfoot): —which I had difficulty in removing. However, the eye is in perfect condition. The light bothers it somewhat, but not any light shed by the government.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Monday, April 9, consideration in committee of Bill C-170, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mr. McCleave in the chair.

The Chairman: Order, please. The House again in committee of the whole on Bill C-170, to amend the statute law relating to income tax. When the committee rose on Monday, April 9, clause 19 of the bill was under discussion. The hon. member for Bellechasse was seeking to be recognized. He is now recognized if he wishes to be.

On Clause 19—*Depreciable and other Capital Property of Deceased Taxpayer.*

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, when we adjourned I was making a few remarks on Bill C-170 and since then, the Minister of Finance (Mr. Turner) tabled an announcement that he will amend certain clauses. Since these amendments generally seem to satisfy the requests which have been made, I will wait until we are studying certain clauses of the bill to make representations.

As for clause 1, I would have preferred more significant advantages to be granted to the individual as regards basic exemptions. I admit that some improvements have been made to the bill but, in my opinion, they are not sufficient and do not match those requested.

Those were the few remarks I wanted to make at this stage; I will again raise certain subjects when the bill is studied clause by clause.

[*English*]

The Chairman: Shall clause 19 carry?

Some hon. Members: Agreed.

Clause agreed to.

On clause 20—*Election by Legal Representation and Transferee Re Reserves.*

Mr. Lambert (Edmonton West): Mr. Chairman, there is no difficulty with this clause, although I am wondering about the intrusion of a different principle by this clause. Frankly, I think it should have been included in clause 19. We are considering clause 20, subclause (1), and this ought to have been included as clause 19, subclause whatever. This matter does not affect the Income Tax Act although, so far as clause 20 is concerned, there is no difficulty with it whatsoever.

I should like to ask the minister, when he answers in speaking on clause 20, subclause (1), to deal with something that should have been clarified in clause 19. When we are considering depreciable property and there is the transfer by devolution to the child from the deceased taxpayer, I take it this provision covers all the buildings and improvements to the property of a depreciable nature, save and except the principal residence which is covered by Section 40 of the act. There has been some uncertainty about this. Perhaps the minister could clarify precisely what is going to be covered in this exemption from capital gains, first at the time of death and, second, the *inter vivos* transfer under the amendments that the minister has introduced. Presumably the same assets are going to be covered.

• (1510)

I will also want a full explanation as to the value of the capital asset which shows up in section 73(3), paragraphs (e), (i) and (ii). This appears in the left hand column of page 3 in *Votes and Proceedings* under the notice given by the minister where the valuation is deemed to be the capital cost of the transferor, not that of the transferee. I think we will get into a little bit of difficulty there.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I can give the undertaking to the hon. member and the committee that both on the transfer by death and the transfer *inter vivos*, during the lifetime, pursuant to the amendment I tabled, the free transmission involves all depreciable property, including buildings and equipment, original or improved. As the hon. member has suggested, the principal residence is already taken care of under another provision.

The hon. member's reference to paragraph (e) of section 73(3) is a relieving provision. This simply provides for the continuity of the cost provisions in respect of the depreciable property. I think that I can assure the hon. member that this again is a relieving provision.

Mr. Ritchie: Mr. Chairman, I wish to ask the minister a question. It involves the transfer of the property of a farm family at death under the projected amendment. Is depreciable farm machinery included in this provision? In what manner will it be replaced or how will this be done? I think this is a very important area because of the high capital cost of farm machinery. I am particularly aware of the high capital cost of farm machinery for western grain growers. I would also like to ask the minister to clarify the distinction between the straight-line depreciation turnover and what I think is called the depreciated balance.

Mr. Turner (Ottawa-Carleton): Diminishing balance.

Mr. Ritchie: Diminishing balance. The loss of this straight-line depreciation has been very keenly felt. I have received many more representations on this than on the capital gains tax on the family farm. I would like to see the straight-line depreciation carried on when the asset is passed from the parent to the son or daughter. I urge the minister to reinstate this straight-line depreciation. I believe that more than anything else, it has provided for a very strong economic base in agriculture. I think it is very important that this straight-line depreciation be carried on and expanded at the earliest opportunity.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, these provisions, of course, apply primarily to the diminishing balance standard of depreciation and include that balance as applied to a depreciable property, as I defined earlier for the hon. member for Edmonton West. With regard to the straight-line depreciation, this is covered in Section 13 of the act. It is unaffected by these provisions; not narrowed, not widened.

Mr. Ritchie: Whatever is left can be carried forward by the new owner.

Mr. Turner (Ottawa-Carleton): I believe that is the case, Mr. Chairman. We will give the hon. member further confirmation of that. If there is anything different to report, I will let the hon. member know.

Mr. Lambert (Edmonton West): Mr. Chairman, we have covered two cases. There is one point. It was my understanding the minister was also providing for the rollover. However, I now take it that would not now be included. I am referring to the rollover where the farmer, *inter vivos*, sells farm A in order to acquire farm B. There is no provision for that.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, there is no provision for that. The rollover provisions only apply to depreciables of a prescribed class under the capital cost allowance system, since the farmer can already sell straight-line depreciables with a straight-line capital gain. We do not see a problem there.

Mr. Lambert (Edmonton West): Although I know the minister does not want to deal with incorporated family farms, under this legislation he is not providing for the situation where a farmer is going to sell his present farm, which may be too small, or for some other reason, and will immediately acquire a farm down the road. He may be moving from an orchard property to a corn growing property. There would still be the problem of capital gains with respect to this farm land transaction.

Mr. Turner (Ottawa-Carleton): That is so, Mr. Chairman, because it is not a continuation of the same farm. It is a barter, exchange or sale and purchase of a new farm property.

Mr. Towers: Mr. Chairman, when we were completing the business the other night, I asked the minister a question. I do not believe he has answered it. I wonder whether he would do so at this time. It was with regard to the evaluation that is being established on farm properties. At the present time, I do not think there is any provision whereby a farmer can confirm with the Department of National Revenue or the taxation department that his property has been evaluated and that the evaluation will be acceptable in future years and to future governments.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, there is quite a division of responsibilities in the administration and interpretation of the taxation policy. From time to time the Minister of Finance, whoever he or she may be, has the responsibility for tax policy, brings it forward to the House and committee and interprets it in terms of its own intentions. As hon. members know, those words are not binding on a court of law. The court, the Tax Review Board or the Federal Court will look at the statute as they find it. My words today or the words of any minister are not relevant in the interpretation of the statute. The parliamentary intention must be sought by the words of the statute itself, not only with regard to the tax law, but the Criminal Code or any other statute.

There is also a distinction in responsibility between the tax policy, which at the moment is mine, and the administration of the act, which is the responsibility of my colleague, the Minister of National Revenue. There is nothing in this bill or the amendment I introduced Thursday evening that bears on the problem raised by the hon. member. There is nothing in this bill, nothing in the amendments I introduced Thursday night, which bears on the question raised by the hon. member. I do not have the authority to respond to his question, except to say once again that I will draw the matter to the attention of my colleague and impress on him the importance the hon. member attaches to it.

• (1520)

Mr. Towers: Thank you. This is an important question. Valuation has to be established upon some basis, and if it is left in the hands of future generations the government will, no doubt, find itself in a position of unfair advantage. It is an issue which the government will be obliged to clear up, either through the Department of Finance or the taxation branch of the Department of National Revenue.

Mr. Nystrom: I should like to ask the minister a question in connection with the amendment having to do with capital gains. Will he tell us his definition of a child? Is it the same as the definition here, which reads:

"Child" of a taxpayer includes a child of his child and a child of his child's child.

That is the extended meaning of "child" applicable to this transfer provision. Is the same definition used in the amendment the minister is bringing in? Will it include the grandchild?

Mr. Turner (Ottawa-Carleton): I do not want to begin discussing the famous law against perpetuities which the hon. member for Edmonton West and I could argue, or the cases in British law involving what we used to call fertile octogenarians. The bill says:

For the purposes of subsection (9), "child" of a taxpayer includes a child of his child and a child of his child's child.

In other words, it includes children or grandchildren.

An hon. Member: Or great grandchildren.

Mr. Turner (Ottawa-Carleton): Or great grandchildren. If, by reason of accident or predecease, there was a gap in the generations the benefit could go on to a further generation as long as the farm stayed within the family by direct descent.

Mr. Murta: Are farm partnerships, at the present time, or under the amendments, treated in the same way as farm corporations? There are a great many farm partnerships in existence throughout Canada, situations in which fathers and sons, or two or three brothers, are operating under partnership agreements. Would the minister clear up this matter?

Mr. Turner (Ottawa-Carleton): The rules apply only to individually held farms, since it is the family farm we are trying to preserve. They do not apply to partnerships or corporations.

Mr. Murta: That being the case, is the government prepared to consider a further extension of this principle,

because there are a great many important implications here for the farming community?

Mr. Turner (Ottawa-Carleton): We are certainly prepared to look very sympathetically at the partnership question. The farm corporations pose far greater difficulty for us because they also involve non-farming small business as well. But I can go further into that, if the hon. member wishes.

The Chairman: We have before us Bill C-170, clause 20 which is found at the bottom of page 25 and the top of page 26 of the bill. Then, there is additional material which I presume the minister will ask to be formally moved in a few moments. First, I will ask the committee whether clause 20, as found at the bottom of page 25 and the top of page 26, is agreed to.

Some hon. Members: Agreed.

Clause agreed to.

The Chairman: Now, I will ask the minister whether the material in respect of which the marginal notes are as follows—*inter vivos* transfer of farm property by farmer to his child; extended meaning of "child"; gain or loss deemed that of transferor; extended meaning of "child"—is to be moved by way of amendment by the minister or one of his colleagues.

Mr. Turner (Ottawa-Carleton): My colleague, the Secretary of State for External Affairs will be glad to do that, Mr. Chairman.

Mr. Sharp: I move:

That Bill C-170 to amend the statute law relating to income tax be amended immediately after clause 20 thereof by adding the following clauses:

'20.1 (1) Section 73 of the said Act is amended by adding thereto the following subsections:

"Inter vivos transfer of farm property by farmer to his child

(3) For the purposes of this Part, where at any time after 1971 any land in Canada or depreciable property in Canada of a prescribed class of a taxpayer has been transferred by a taxpayer to a child of his who was resident in Canada immediately before the transfer, and the property was, immediately before the transfer, used by him, his spouse or any of his children in the business of farming, the following rules apply:

(*a*) where the property transferred was depreciable property of the taxpayer of a prescribed class, the taxpayer shall be deemed to have disposed of the property at the time of the transfer and to have received proceeds of disposition therefor equal to

(i) in any case to which neither subparagraph (ii) nor subparagraph (iii) applies, the proceeds of disposition otherwise determined,
(ii) if the proceeds of disposition otherwise determined exceeded the greater of

(A) the fair market value of the property immediately before the time of the transfer, and

(B) that proportion of the undepreciated capital cost to him immediately before the time of the transfer of all of the depreciable property of the taxpayer of that class that the fair market value at that time of the property so transferred was of the fair market value at that time of all of the depreciable property of the taxpayer of that class,

the greater of the amounts referred to in clauses (A) and (B), or

(iii) if the proceeds of disposition otherwise determined were less than the lesser of the amounts referred to in clauses (ii) (A) and (B), the lesser of those amounts;

(*b*) where the property transferred was land of the taxpayer, the taxpayer shall be deemed to have disposed of the property at the time of the transfer and to have received proceeds of disposition therefor equal to

(i) in any case to which neither subparagraph (ii) nor subparagraph (iii) applies, the proceeds of disposition otherwise determined,
(ii) if the proceeds of disposition otherwise determined exceeded the greater of

(A) the fair market value of the land immediately before the time of transfer, and
(B) the adjusted cost base to the taxpayer of the land immediately before the time of the transfer,

the greater of the amounts referred to in the clauses (A) and (B), or

(iii) if the proceeds of disposition otherwise determined were less than the lesser of the amounts referred to in clauses (ii) (A) and (B), the lesser of those amounts;

(*c*) section 69 does not apply in determining the proceeds of disposition of the depreciable property or the land;

(*d*) the child shall be deemed to have acquired the depreciable property or the land, as the case may be, for an amount equal to the proceeds of disposition deemed to have been received under paragraph (*a*) or (*b*), respectively; and

(*e*) where the child is deemed to have acquired depreciable property of a prescribed class of the taxpayer for an amount determined under paragraph (*d*) and the capital cost to the taxpayer of the property exceeds the amount determined under that paragraph, for the purposes of sections 13 and 20 and any regulations made under paragraph 20(1)(*a*)

(i) the capital cost to the child of the property shall be deemed to be the amount that was the capital cost to the taxpayer thereof, and

(ii) the excess shall be deemed to have been allowed to the child in respect of the property under regulations made under paragraph 20(1)(*a*) in computing income for taxation years before the acquisition thereof.

Extended meaning of "child"

(4) For the purposes of subsection (3), "child" of a taxpayer includes a child of his child and a child of his child's child."

(2) This section is applicable to the 1972 and subsequent taxation years.

Income Tax Act

20.2 (1) The said Act is further amended by adding thereto, immediately after section 75 thereof, the following section:

"Gain or loss deemed that of transferor

75.1 (1) Where

(a) a taxpayer has, after 1971, transferred property (which property is referred to in this subsection as "transferred property" to a child of his in circumstances such that subsection 73(3) applied in respect of the transfer,

(b) the transfer was made at less than the fair market value of the transferred property immediately before the time of the transfer, and

(c) in a taxation year, the transferee disposed of the transferred property and did not, before the end of that year, attain the age of 18 years,

in computing the transferor's income for any taxation year the amount, if any, by which

(d) the aggregate of the transferee's taxable capital gains for the year from the disposition of the transferred property,

exceeds

(e) the aggregate of the transferee's allowable capital losses for the year from the disposition of the transferred property,

shall, during the lifetime of the transferor while the transferor is resident in Canada, be deemed to be a taxable capital gain of the transferor for the year from the disposition of property, and any gain or loss taken into account in computing the aggregate described in paragraph (d) or the aggregate described in paragraph (e) shall, for the purposes of computing the income of the transferee for a taxation year, be deemed not to have been a gain or loss of the transferee.

Extended meaning of "child"

(2) For the purposes of this section, "child" of a taxpayer includes a child of his child and a child of his child's child."

(2) This section is applicable to the 1972 and subsequent taxation years.' (English and French).—Sessional Paper No. 291-1/308B.

There are a fair number of amendments, and I thank the committee for permitting me to dispense with reading them all. I have, of course, read the marginal notes applicable to them. They are to be found in the added pages of last night's *Votes and Proceedings*. This is the material moved by the hon. Secretary of State for External Affairs and seconded by the President of the Privy Council by way of amendment.

Is it the pleasure of the committee to adopt these amendments?

Mr. Lambert (Edmonton West): The only comment I wish to make is this. I am very sorry the government failed to look into the question of the incorporation of the family farm. It is my information, and I take it as being reliable, that as of today there are about 8,000 family farm corporations in the country. Relative to the number of farmers in Canada the figure may seem small, but I put it to the minister that these 8,000 farms could readily account for between 30 and 40 per cent of agricultural production in this country. They are the heart and core of the bigger producers, particularly in the prairie provinces, though I am sure that if the minister would travel through southwestern Ontario he would find that the tobacco farmers, the dairy farmers and, certainly, the beef growers, are almost to a man incorporated.

This has been the thin end of the wedge. I am glad to see the principle has been recognized. It vindicates an amendment I put forward at the time the Finance Committee was making its report to the Minister of Finance. The government has at last recognized the principle that the family farm should, at this stage at least, be exempted from capital gains tax. I trust we shall see an extension so that the whole range is dealt with. Certainly, speaking on behalf of my colleagues, I commend this position as being one we would take.

Mr. Nystrom: A brief comment, Mr. Chairman. We, of course, support the amendment introduced by the minister and congratulate him on introducing it. I should like to say also he was very wise to accept the view of my party in this regard. I believe it was progressive move. We all recall that an amendment to the same effect was moved last year by a former member of this House, Mr. John Burton. It is an important step in keeping alive the family farm not only on the Prairies but throughout the country.

Mr. Turner (Ottawa-Carleton): I have taken note of the comments made by the two hon. gentlemen who have spoken. I just want to say that the caucus of the party to which I belong was also instrumental in bringing about this decision. I want to give particular credit to the hon. member for Bruce.

Mr. Nowlan: The minister tells us his caucus was instrumental in getting the government to change its mind. Members of my party and members of the party to my left have tried for more than three years to bring some sanity to this legislation as far as the family farm is concerned. All I can say is that if a new caucus on the government side has been able to help bring about changes in this important field, let us have another election very soon so that we can benefit from either a new government or a new caucus, in order that still further changes may be made. It has been a "tax to form" bill, in view of what the Minister of National Revenue said. If these tax conformities are not clarified so there is a further conversion of Paul on the road to Damascus, as the Minister of Finance mentioned today, then they will be by other governments in the not too distant future, so that the Canadian public has a tax law that is not only equitable but sane and sensible, and can be understood by them.

• (1530)

The Chairman: Shall the amendment proposed by the Secretary of State for External Affairs carry?

Some hon. Members: Carried.

Amendment agreed to.

Clause 20, as amended, agreed to.

On clause 21.

Mr. Lambert (Edmonton West): Mr. Chairman, perhaps we should revert to the practice we had the other day where, instead of my rising to ask a question, the minister gives an explanation, though I can say to the minister that I have no comment to make on this clause.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, again this amendment is of a relieving nature and will ensure that the capital cost of depreciable property or the adjusted cost base of other capital property would not be reduced a second time where a debt is extinguished or cancelled.

Clause agreed to.

On clause 22—*Expropriation assets acquired as compensation for or as consideration for sale of foreign property taken by or sold to foreign issuer.*

Mr. Turner (Ottawa-Carleton): Mr. Chairman, essentially this section permits a taxpayer to defer the recognition of income for tax purposes until such time as his investment has been recovered. It relates to section 80(1) which is the section providing for rules for determining the income of a taxpayer who has had a business carried on abroad which was expropriated by a foreign government.

Mr. Lambert (Edmonton West): Mr. Chairman, this, then, in essence, is to prevent from being taken into income at one time, or over two years, the total value of a foreign asset that has been expropriated; the resident Canadian taxpayer is therefore allowed to prorate it. He can also elect to take the income, if there are any securities of the acquiring country or authority, and accumulate that income so it becomes capital to the total value of the capital at the time of the expropriation. Thereafter it is treated as income but subject to income tax; is that so?

Mr. Turner (Ottawa-Carleton): Basically, that is it.

Clause agreed to.

On clause 23—*Navire ou aéronef appartenant à des non-résidents.*

Mr. Turner (Ottawa-Carleton): Mr. Chairman, this is an amendment to the French version of paragraph 81(1)(c) and removes the word "ou" from the phrase "d'un navire ou d'un aéronef ou qu'elle exploite dans un trafic international". Clause 23(2) is a relieving amendment which exempts from taxation various forms of income accruing from property awarded to a person under 21 years of age in respect of personal injury. An example of persons who would benefit from this provision are the victims of the drug thalidomide.

Mr. Lambert (Edmonton West): Mr. Chairman, about 15 months ago we made an amendment reducing legal age to 18 so as to conform with what is now considered to be the age of an adult, and since in most provinces today the legal age of an adult is 18, why are we reverting to the age of 21 rather than going down to the plateau of 18, as I think we should?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, to look at this from another point of view, we are trying to exempt income building up on a compensation award, leaving it free of tax until the person is 21. So, it is really for the benefit of the child that the income be allowed to accumulate from an award until he is 21, rather than 18. This provision has nothing to do with majority, minority or civil responsibility; it is purely a relieving measure.

Mr. Harney: Mr. Chairman, last Thursday night I brought some comments to the attention of the Minister of Finance regarding the section of the act that is being amended by this clause of the bill. If I may refresh the memory of the Minister of Finance, it had to do with disability payments paid under supernannuation or retirement plans. Before I go any further, I wonder whether I could ask the Minister of Finance if he remembers the points I made?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the hon. gentleman put it in such articulate terms, there is no way I could forget. He raised a question about the taxation of workmen's compensation payments made to injured firemen employed by the borough of Scarborough. I am advised that workmen's compensation payments made to injured firemen employed by the borough are being exempted from tax. Workmen's compensation is a provincial responsibility, but it is my understanding that as a Schedule II employer, 75 per cent of the normal wage paid as workmen's compensation is not being subjected to income tax. The additional 25 per cent amount paid by the employer is being subjected to tax.

In the case of permanent disability, it is my understanding that a similar exemption is being accorded to amounts payable as workman's compensation. Since the administration of the act is involved here, perhaps if the hon. member has any specific case he would refer the situation to my colleague the Minister of National Revenue.

Mr. Harney: May I thank the Minister of Finance for his compliment about my articulateness, but in spite of my reputation I guess my point was still not made; I am sorry about that. I was not referring to firemen working for the borough of Scarborough; it happened to be firemen who had been working in the past for the Toronto fire department. I understand that Scarborough and Toronto are very close neighbours, so I can see where the minister made the mistake.

I was not talking about people who are receiving benefits from the workmen's compensation board, be it in the province of Ontario or any other province. I understand that they are quite clearly covered by the provisions of the present act in section 81(1)(h). I was talking about people who in the past had received disability payments at a time when their working unit was not covered by workmen's compensation by reason of provincial law. The case I employed as a clear example of this was that of the Toronto fire department.

The Toronto fire department had a very ancient and venerable superannuation, retirement and disability plan of its own, and it was not until the late 1950's that the Toronto firefighters were brought under the workmen's compensation board. Before that time, if the firemen were injured they received disability payments, not from the workmen's compensation board but out of their own superannuation and retirement funds. But these payments were clearly disability pensions.

Since the late 1950s—staying with the example of the Toronto firefighters—firemen who are injured and who receive disability payments from the workmen's compensation board do not have their pensions taxed. The unfortunate persons who worked for the fire department before it came under the workmen's compensation board do have their disability pensions taxed.

The point I was trying to make to the minister was this. Would he consider making an amendment to bring the pensions of these people within the terms of the act having to do with income that is not to be included in any amount that is calculated to be taxable? That is quite a different matter from the one to which the minister just referred.

• (1540)

As I said the other night, Mr. Chairman, there is no reason in simple justice why these people should have their disability pensions taxed. The cases I have in mind are those of people who have appealed to the income tax department and have been told time and time again that nothing can be done because of the law, although their cases are just and will be reported to the Department of National Revenue. They probably were reported in the past, but in effect nothing has been done. I know of 12 cases in Toronto of people who used to work for the Toronto Fire Department. I cannot guess how many other Canadians are affected by the same difficulty in the law, but I would suspect it is many more than the 12 cases of those firefighters in Toronto. There are probably all kinds of people who worked for provincial or municipal governments who fall within that category. I wonder if by my stumbling and awkward manner, and my rather inarticulate remarks, I have managed to convey the point to the minister.

Mr. Turner (Ottawa-Carleton): I am prepared to look into this further, but in reference to the Toronto Fire Department, it is my understanding that the pension plan in 1954 contained a disability clause and pensions paid under it were subject to tax and contributions by way of premiums are deductible. If that is so, this is fairly normal, but I will look into it again to see whether there is any remedial measure I should take in the way of some further amendment. If that is the situation and contributions are deductible on the way in, they would be taxable on the way out. If this is part of a disability situation it may be different, but I will look into it.

Mr. Harney: I have just one final point. I take it when the minister says he will look into it he means he will do so for the purposes of the discussion we are now having with regard to amendments to the tax act?

Mr. Turner (Ottawa-Carleton): I would need far more precision than I have now to be able to do that, but if there is a legitimate problem here I will undertake to the hon. member to remedy it at the earliest possible opportunity.

Mr. Harney: Mr. Chairman, would it be possible for us to put aside our decision on Clause 23 while the minister has a further opportunity to look into the matter?

The Chairman: Is it agreed that Clause 23 shall stand?

Mr. Knowles (Winnipeg North Centre): Stand.

Clause 24 agreed to.

On Clause 25—*Transfer of property to corporation by controlling shareholder.*

[Mr. Harney.]

Mr. Ritchie: Mr. Chairman, I should like to take the opportunity to make a few comments about partnership rules on the basis of a discussion I had with my own accountant and an article written by Donald R. Huggett which appeared in the *Canadian Chartered Accountant*. He suggested that in attempting to find a reserve for 1971 receivables it is the individual partners of a partnership who will have the real problem, not because of any particular equity or anomaly but because reserve limitations are so difficult to grasp and computations are virtually impossible to make with any degree of accuracy. He said:

> As stated, individual partners must bring into income in 1972 their share of 1971 receivables which were not previously taxed, but they are permitted to deduct a reserve therefrom which, in the case of expanding firms, may result in the postponement of tax until retirement or later years. It is the computation of the "reserve" that will give many professionals fits—

He goes on to state that the actual cost is not so difficult to calculate, and then states:

> Fair market value of a partner's interest may be a difficult figure to determine and no rules are prescribed (naturally) for its computation. However, it may be significant to note that the proper figure is the fair market value of the partner's interest and not his share of the fair market value of the partnership.

I think this is of some importance in assessing tax equity. Mr. Huggett also states:

> Unlike the computations for cost and fair market value, the calculation of tax equity must be made at the partnership level. Once established, it must then be apportioned among the partners. No rules are provided for the division of tax equity among partners and one can only assume that the number of methods will approximate the number of professional partnerships in Canada. Unfortunately, playing the tax game without rules is almost as dangerous as playing Russian . . . roulette—

He then went on to say in the final paragraph:

> While the various provisions seem logical, there is no doubt that they are extremely complicated and that it would be extravagant for each and every partner of a professional firm to spend the time required to attempt to comprehend them in full.

I think this is an area in which partnerships have a very shady and dim path to follow.

Clause 25 agreed to.

Clauses 26 and 27 agreed to.

On Clause 28.

Mr. Lambert (Edmonton West): Mr. Chairman, this deals primarily with the valuation of a licence or a permit held by a corporation. In this connection, I am wondering what the minister has by way of an example. To what extent may a corporation hold a permit and what will be the valuation of it? I am thinking of the rights to distribute certain types of goods under a permit issued by a municipal corporation. Would a milk quota, for example, be involved? Perhaps the minister could give us an explanation.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, this is consequential on the amendment which provides for taking into the cost period a government licence, which would include milk quotas and all other types of federal, provincial or municipal licences. This particular amendment provides for including in tax equity of the corporation at the end of this 1971 tax year, the cost of the permit issued under governmental authority during the time, and

the cost is defined in 21 of the Income Tax Application Rules, 1971. This is consequential on the basic valuation in other clauses.

Clause agreed to.

On Clause 29.

Mr. Lambert (Edmonton West): May I ask why 5 per cent was chosen instead of 10 per cent, as basically that is the change made in this clause? This question has arisen in respect of holdings to become part of an affiliated corporation.

Mr. Turner (Ottawa-Carleton): This is a relieving clause which allows more corporations to qualify.

Clause agreed to.

Clause 30 agreed to.

On Clause 31—*Deduction in computing income of trust.*

Mr. Lambert (Edmonton West): I have had a running battle with the minister by correspondence, and with others, including the Minister of National Revenue, relative paragraph 104(14) whereby it is provided for an election within a prescribed time and in a prescribed manner by the preferred beneficiaries. I think the minister's adviser knows whereof I speak.

• (1550)

Mr. Turner (Ottawa-Carleton): I have the letter right here.

Mr. Lambert (Edmonton West): What the minister is doing is that instead of the word "his" he is putting in the words "any beneficiary". That clarifies the wording of the section, but where is the prescribed time and the prescribed manner; where are the regulations? They have not been issued, and I am told it may be months before they are issued. Considering that this is legislation which was introduced in December, 1971 it seems strange that no regulation has been issued. A number of estates of very important size are being prejudicially affected at the present time by this inability to make the election.

Mr. Turner (Ottawa-Carleton): The hon. gentleman has a different point here. The basic regulations have been issued. On the discretionary trusts, the regulations have not been issued because we wanted to get some idea how the total system works. I understand we are still two or three months away from that. The hon. gentleman has a legitimate point here.

Mr. Lambert (Edmonton West): In respect of relief for the taxpayers involved will there be a retroactive effect, because in the interval these trusts have been tabled at 50 per cent and they are paying the high rate of tax. I know it is in the minister's interest to bring in as much money as possible, but in so far as the taxpayers are concerned they are not large in number and this is very important in so far as investments are concerned. I do not care whether it involves only 20 taxpayers, because if they are being done in the eye then something must be wrong.

Mr. Turner (Ottawa-Carleton): Well, I think we have had a fair amount of correspondence from the hon. member on these points and we will try to do something.

Clause agreed to.

Clauses 32 and 33 agreed to.

On clause 34—*Over 65 years.*

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, clause 34 is one of the clauses which has made it urgent that this bill be passed.

Mr. Lambert (Edmonton West): It should have been through in December.

Mr. Knowles (Winnipeg North Centre): Yes, or two or three years before that. The desirability of getting the clause through, of course, is so that refunds may be made which a number of pensioners have claimed on filing their returns, refunds which we understand have been computed and are ready to be mailed. What this clause does is to raise to $1,000 the extra exemption a taxpayer can claim if he is 65 years or over. For the year 1971, that figure stood at $500. It was raised by a previous piece of legislation to $650 for the year 1972. However, if this clause goes through, that $650 will never have been in effect and instead the figure will be $1,000 as from January 1, 1972.

I suppose there are few pieces of legislation before this parliament that will receive such quick and ready endorsation, but because it is so popular and so certain to be passed I dare to ask a question about it, even at the risk of appearing to question motherhood. If my memory is correct, and I think it is, the first time when an extra exemption for old age was added to the basic income tax exemption was at a time when the government was being pressed to increase the amount of the old age pension. It did not feel it could do so and thus this concession was made. It was my own thought at that time that this was a temporary arrangement and that when the time came for pensions to be made universal, and of a more substantial amount, that the extra exemption which originally was $500 at age 70 I believe, or was it to start at age 65—I think it started at age 65.

Mr. Lambert (Edmonton West): It was suspended in 1964.

Mr. Knowles (Winnipeg North Centre): Then, for a while it was suspended for those receiving old age security between the age 65 and 70. At any rate, Mr. Chairman, I would like to ask the minister whether this time around any consideration was given to the alternative, namely, that instead of a charge on the treasury of this kind, that is allowing this extra exemption, that the amount of money involved might be used to raise the actual amount of the old age pension. My point is that when you allow this $1,000 exemption it is fine for all those who have income taxes to pay, but what about the million—I think that must be the number—persons over age 65 who do not pay any income tax at all? This extra $1,000 does not mean a cent to them. To those who pay a little income tax this $1,000 exemption may mean a bit, or if you go at it in another way those in the upper brackets receive a fairly high percentage reduction and those in the lower brackets receive a lower amount.

Is the minister familiar—I am sure he must be—with the history of this? Has some consideration been given along the way to using this money to increase the actual amount of the pension? I submit that $15 or $20 added to the actual pension of everyone would be more of benefit to the persons on old age security than this benefit. There are some organizations, notably organizations of women in this country, which have made quite a study of this matter and have recommended this very course. I do not know whether the recommendations have reached the minister, but I hope they have. Even though it may sound a little academic to ask a question about this matter which will be passed very quickly, I should like to ask the minister whether thought has been given to the alternative that instead of the extra exemption, which means nothing at all to one million old age pensioners, the amount involved here could have been added as an additional amount to the old age security pension itself.

Mr. Turner (Ottawa-Carleton): Well, Mr. Chairman, I would have to review the various philosophical thrusts behind the three types of old age pension. The first is a universal pension paid across the board, regardless of need and means to everyone in this country 65 years of age or over. That is in consideration I believe of the productive efforts and initiative that our older people have put into the country, as a reimbursement to them for that effort and also as a means of supplementing their income after their earning days are over. Added to that on a basis of need is the guaranteed income supplement for those whose resources are insufficient. The raising of the exemption, on the other hand, from $500, then to $650 and now to $1,000 is in recognition of those people of moderate means—more than moderate means sometimes—and people of less than moderate means who during their lifetime have sacrificed in order to provide some kind of capital assets from which they derive income. This is as an encouragement to them to set something aside and as a recognition of the fact that such incentive is worthwhile in our society.

• (1600)

If they were to build up a property of $10,000, $20,000, or $30,000, or now in the case of working men and women, capital far in excess of that, then the income they draw from it might be $3,000, $4,000, $5,000 or $6,000 a year in addition to what they have by way of old age pension. I suppose the philosophy is that the exemption should be raised for those people as an extra incentive. For single persons aged 65 or over there would be a basic exemption of $1,500, the optional standard deduction of $100, and the special deduction for age proposed in the bill of $1,000, making $2,600. No income tax is paid by persons over 65 up to $2,600. For married persons there is the $1,500 exemption plus the additional exemption for married persons of $1,350, again the optional standard deduction of $100, and the proposed special deduction for senior citizens of $1,000. So, for someone over 65 who is married, the total exemption is now $3,900 and no tax is paid on that amount.

The purpose of this amendment is to encourage the setting aside of a nest egg, of savings, to encourage the curtailment of consumption for future use. Perhaps that is a worthwhile motive in our society.

Mr. Lambert (Edmonton West): Mr. Chairman, I do not want to add anything to what was already said on second reading and to all the protests I have made about the pressures now being put by the government to get this bill through now because time is operating to the prejudice of senior citizens, but primarily—and some are becoming most excited about this—to the students who are on the other end of the scale. The polity should be made by the government to the taxpayers concerned because these were provisions that were brought in in the budget of May last year and the bill introduced in June of last year. Here we are in mid-April, and these people are still not able to obtain their refunds.

However, the point that I want to make is directed more to the Minister of National Revenue than to the Minister of Finance. As you know, there is form TD1 wherein the taxpayer is the subject who files with his employer, or the person paying him the income he makes, indicating the extent of the exemptions that he is claiming. We have provisions for people of married status and we have a provision for wholly dependant persons, and we also have provisions for persons over 65, but it was drawn to my attention yesterday afternoon over the telephone by a person who is directly affected that there is no provision for the claiming of an exemption by a disabled person who is entitled to the $1,000 exemption. As a matter of fact, the person in question is an employee of the government of Canada, and that person is not able to file a TD 1 form and obtain a $1,000 exemption but must claim it at the end of the year through a refund. In this particular instance the refund to that person has been held up. If that person has a statutory right to an exemption, why should the TD 1 form not provide for it?

I do not think this is the same sort of thing as one can claim a little later on under section 35 for attendants allowance for a totally disabled person. In this particular case I make a strong recommendation that the Minister of National Revenue take a look at form TD 1, and let us reverse the process for these disabled persons.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, as I indicated when I was speaking a few minutes ago, I do not wish to delay the passing of this clause or even the passing of this bill, but I would like to say that I appreciate the answer which the Minister of Finance gave in response to my comments. He indicated that there are different groups of people and that the purpose of this provision is to recognize the position and the rights of those who have some savings of their own. That is a point of view that I share, especially when we come to the question of universality. It is precisely for that reason that I do not think there should be any means test on old age pensions at all. But that is an argument we can make on another occasion.

The point I would like to make—and I hope the minister will accept it—is that in spite of all the fanfare there is about this, at least one million old age pensioners get no advantage out of this at all. The number of old age pensioners who qualify for the guaranteed income supplement, according to the latest figures I have, is about 58 per

cent of the total, or 58 per cent of 1,800,000, which is about 1,045,000. Of course, people who qualify for the guaranteed income supplement are getting money that itself is not taxable, so with these new limits they are not taxable in any case.

I also wish to draw to the attention of the Minister of Finance that the percentage I gave a moment ago, which comes from the latest figures which I have obtained, is higher than it was the year before. In other words, even with the higher rates of pension and the higher rates of guaranteed income supplement, the number of Canadians over 65 who qualify for at least a portion of the guaranteed income supplement is rising. A couple of years ago, it was 55 per cent. Last year, it was 58 per cent. So there is an increasing number of persons whose other income is limited and who rely very heavily on the old age security pension and on the guaranteed income supplement. If the minister wonders about what I said to him I will say again that the percentage of those receiving old age security who have so little that they can apply for the guaranteed income supplement is increasing, and therefore my point is that if he wants to do something substantial for old age pensioners he has to do more than this. This higher exemption is all right, but it is only a token.

Mr. MacLean: Mr. Chairman, I just want to raise one small point with the minister. It is a suggestion which I should like to make that perhaps ways and means could be found to discontinue sending personalized income tax forms to certain categories of elderly people who are not in the taxable bracket and who no longer contribute to the Canada Pension Plan.

I realize that there is a legal obligation to file income tax returns and indicate that you are not taxable, but to many elderly people it begins to be almost a harassment when they receive complicated income tax forms which they are required to file. I wonder if the minister has any suggestion to make on this matter?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I appreciate the point made by the hon. member for Malpeque. One cannot know in advance whether any particular taxpayer is or is not taxable on the basis of his income. I suppose that in case of doubt the Minister of National Revenue sends out a form. What we have done under this bill is to recognize that elderly people in particular whose income is less than a certain amount should not have to file by instalment. The bill provides that if the previous year's tax was $400 or less, then they do not have to pay by instalment. That is a relief from the burden that the hon. member mentioned. The Department of National Revenue has the past records to go on at the $400 or less taxable income level but across the board it is a little hard to know whether the particular taxpayer has taxable income until we send out the forms. I do not know any way around that.

• (1610)

Mr. MacLean: I do not know either, but I was thinking of people who had been employed and had been taxed on that basis and who have little or no other income which would put them in a taxable bracket or who are no longer employed, who are retired and not contributing to the Canada Pension Plan. I feel that perhaps there could be a system where the computer could be made to turn off when it gets to that category of people.

Mr. Turner (Ottawa-Carleton): There are some officials of the Department of National Revenue in the House and I hope they will take note of that point.

The Chairman: Shall clause 34 carry?

Clause agreed to.

On clause 35.

Mr. Lambert (Edmonton West): Mr. Chairman, in this clause there are a great number of extensions dealing with students, full-time attendants for the disabled, travelling allowances for medical services and so on. This is an amendment to Section 110(1)(c)(iv.1) which deals with a full time attendant in a self-contained domestic establishment, not a nursing home. This is an extension of the old nursing home full time attendant arrangement. Can the minister explain what is meant by full time attendant? Is that a person who must live in, who works 40 hours a week—if it is a domestic establishment is that a nurse or a male attendant who works eight or nine hours a day five days a week and then the taxpayer is home for the weekend to look after the aged parent or whoever is under the care of the full time attendant?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, it is a question of fact.

Mr. Lambert (Edmonton West): It is easy to say it is a question of fact, but how is it defined? If I were the taxpayer and had an aged parent at my home with a full time attendant is that full time attendance six hours a day or eight hours a day? If the Department of National Revenue insists that it has to be an eight hour day and my arrangement with the attendant is for a six hour day I can get into an awful row.

Mr. Knowles (Winnipeg North Centre): Worse still, if they call for 24 hours.

Mr. Lambert (Edmonton West): Is it the same if they live in? Is it a five day week?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think it is in the interest of the taxpayer that this be left vague. A full time attendant is a full time attendant. I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) when he asks if it would be 24 hours a day. That would be unreasonable. I think it is in the interest of the taxpayer to have these terms defined generally as full time attendants and allow it. If we were to get specific then anything outside the specific clause would be included. Knowing the drafting process as I do, I tend to feel that my friends define rather narrowly and I would hate to see cases meriting consideration which might be excluded by a narrow definition. I think the taxpayer is better served by a general definition.

Mr. Lambert (Edmonton West): Mr. Chairman, with this interpretation, it may be that, since the evidence of payment or of the employment is to be by way of a receipt bearing the social security number of the attendant and is, therefore, available for income tax purposes—if the

attendant were to work six hours during the daytime hours and to work at night in the supermarket, we could get into all sorts of difficult situations. I want to try to determine the wishes of the minister and also what the House thinks about this. It should be as broad as possible so that we do not get a narrow interpretation by national revenue assessors.

Mr. Turner (Ottawa-Carleton): I think that any assessor who reads this would interpret it generously.

Mr. Howard: Mr. Chairman, on second reading of this bill I presented an idea to the minister regarding the expenses incurred for medical purposes when the individual has to travel from his residence to some other spot where the facilities are available. At that time I was not looking at the bill but at the statement the minister made about it on May 8, 1972. Clause 35(3)(viii.1) at the bottom of page 57 of the bill provides that those expenses can be deducted if a number of things happen, one of which is if payment is made:

to a person engaged in the business of providing transportation services, to the extent that the payment was made for the transportation of

In this instance, the taxpayer has to make the payment to a person engaged in providing transportation services; in other words, he has to hire a transportation vehicle when he is 25 miles or more away from the facility. From my own experience travelling around the country, I know that there are a number of places where commercial transportation is not available in any convenient form. In a northern area it is not unusual for people living close to the communities to own their own boats, yet have no medical facilities available in the community. In others, people are disadvantaged by the lack of commercial transportation and have to use automobiles while in the far north it is a question of aircraft. People who own their own aircraft may have to use them to travel for medical attention.

I think the construction of that subparagraph which says that the demand must be made "to a person engaged in the business of providing transportation services" would deny the opportunity for the deduction in cases where there were no commercial transportation facilities to take the patient 25 miles or more for medical attention. I suggest that this subparagraph should be amended. I drafted the amendment and sent a copy to the minister so that he could consult with the people who are in the business of drafting. I do not know whether my suggestion is acceptable, but I think we should remove subparagraph (viii.1) entirely and substitute the following:

to a person engaged in the business of providing transportation services—

Which is how it reads at the moment, and add the words:

or for transportation by a mode of transport owned by the taxpayer at rates not in excess of those provided by regulation for any such mode of transport to the extent that the payment was made for the transportation of

• (1620)

The additional words are, "transportation by a mode of transport owned by the taxpayer at rates not in excess of those provided by regulation". The difficulty I had in trying to adopt language that might be acceptable, in order that an acceptable and reasonable figure might be arrived at, was compounded by the fact that, as mentioned earlier, it is difficult to know how much a mode of transport may cost. For instance, in coastal areas people normally travel by boat, usually their own boat. I do not know how much it costs per mile to run a boat. Cost varies with the size of the boat, and I do not know what a reasonable cost would be. Similarly, varying figures could be used in connection with the operation of a motor vehicle. We are allowed 16 cents per mile, and in other areas the allowance is 14 cents, and so on. It is difficult to spell out these amounts. Again, in the far north or remote areas of the country people own their own aircraft. I do not know how much it costs to travel by aircraft. What the reasonable figure would be I do not know.

I thought that this matter might best be decided by regulation which might spell out what is a reasonable cost for the various kinds of transportation that a person might use. To stretch the point, in the depths of winter, in the northern most points, the mode of transportation would be dog sled, I presume. I do not know what are the cost factors involved in that mode. As it may be necessary to spell out these costs in great detail, that matter might better be left to regulation. I hope the words of the amendment cover the point I am trying to make. If my suggestion is acceptable, I think it may ease what otherwise would be a discriminatory application of this particular concept.

Mr. Stackhouse: Mr. Chairman, I should like to discuss the clause on page 59 dealing with deductions to be allowed for students and supporting individuals.

Mr. Barnett: On a point of order, Mr. Chairman, surely the hon. member is out of order. The hon. member for Skeena has proposed an amendment which, I respectfully suggest, might be put.

The Deputy Chairman: Order, please. The Chair expected the hon. member to raise a point of order, I imagine because the hon. member for Skeena hoped that the minister might comment on his suggested amendment. However, the minister did not rise and the chair did not receive the amendment as yet. I, therefore, recognized the hon. member for Scarborough West.

Mr. Howard: Mr. Chairman, I handed a copy of the amendment to a gentleman here, because I wanted it to reach you.

Mr. Turner (Ottawa-Carleton): I did not get a copy of the amendment either.

Mr. Howard: Members are so interested in it that perhaps there were not enough copies to go around.

The Deputy Chairman: It was the impression of the Chair that the hon. member wanted first to hear the remarks of the minister, or is he definitely asking the committee to consider the amendment immediately?

Mr. Howard: Mr. Chairman, the normal purpose in moving an amendment, as I understand it, is to have that

amendment considered. I did that. If you or members of the committee think it would be more appropriate if this were done in another way, I would be glad to do that. However, I formally put forward the amendment. If the matter needs to be couched in different words, to comply with the sort of language that lawyers use in the writing of statute law, I would be glad to listen to other words, if by so doing we could be more precise. Initially, however, I must move the amendment in order to bring it formally before the committee.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I want to reserve my right to challenge the matter from the point of view of its being in order, naturally. It may well go beyond the scope of the clause and extend the incidence of the charge on the people defined by the terms of the ways and means resolution as agreed to by the House.

Having said that, let me say that my officials and, particularly, the officials of the Department of National Revenue think there might be difficulty in the administration of this. The argument of the hon. member is well taken. It may be that in various regions of the country where commercial transport is not available by road, air or water, that a private charter arrangement would have to be made for the person to use his own car; he could have someone drive him, or use his own boat, or some other mode of transport. Obviously, the administration problem in this area involves difficulty because of the possibility of abuse. Perhaps we ought to stand the clause and see what we can do by way of drafting to meet the point and provide some protection, so that there would not be an unnecessary incidence of abuse.

Mr. Howard: Mr. Chairman, I simply agree to stand the matter, but let me say this about the question of abuse. If a person is in business and uses his car in the conduct of his business, and drives 150 miles to conduct business, he keeps track of that cost, and charges X cents a mile, or whatever may be permitted. How can you protect from abuse in that type of activity? Presumably it would be fairly simple to keep track of expenses.

Mr. Turner (Ottawa-Carleton): I can see a difficulty. If a person is driven in an ambulance or taxi or bus he has a receipt showing that he has paid out some money, and keeping track of expenses is relatively easy. But the trouble arises when there is no record of disbursements. We will ask the national revenue people to see what they can come up with, to cover the point.

Mr. Howard: If a person spends money to earn income and drives his car 150 miles to conduct his business, he does not pay out any money except for gasoline. Can he not charge so many cents per mile for doing that business? Can he not say, "I had to spend that?"

Mr. Turner (Ottawa-Carleton): But we are not talking about business expenditures.

Mr. Howard: I know the minister is not, but I am. I am saying that as, in that situation in which a person makes a business expenditure there is some kind of check to prevent abuse, the same kind of check could be applied in the area I am talking about. That is all I am saying.

Mr. Lambert (Edmonton West): Mr. Chairman, I certainly sympathize with the hon. member for Skeena who has mentioned the problems of people living in isolated areas. However, problems of a legal nature may arise out of his proposal. If a charge is made by a neighbour or an individual who is not in the business of transportation, the insurance policy covering the vehicle may be invalidated; no matter whether it is an aircraft or car, the insurance policy is invalidated if a charge is made. If there is only compensation for gasoline, that may be all right. The difficulty only arises if a charge is made.

Second, I find difficulty in justifying the amendment as worded. How would it apply to a populated area, like Ottawa? The wording of the amendment does not exclude such areas. For example, it would be simple for me to run from one side of Ottawa to the other and back, and drive almost 25 miles. I beg your pardon. The distance is to be in one direction; that makes it somewhat different. I object to that amendment to the act, because if I were to live on one side of Toronto and I were to go to the other side, and there may be valid reasons for my so doing, then I would drive not less than 25 miles in one direction. Let me add that the cost of commercial modes of transportation will be far in excess of the cost of taking an ambulance or taxi in a rural or unpopulated area. I know what the hon. member for Skeena wants to do. I agree we should stand this clause to see whether there is some way of arriving at this isolated area proposition. We can take another look at this tonight.

• (1630)

Mr. Barnett: Mr. Chairman, this is not the first time I have heard a Minister of Finance stand up in committee and say this is a good idea, but we will have to let National Revenue look at it. I sometimes wonder whether anyone from National Revenue in a responsible decision making capacity ever moves out of this capital. Often an essential and sensible suggestion to try to equalize and make fair the application of laws for people who do not live in large urban areas is by-passed on some excuse that it is administratively difficult.

Perhaps the people who live in the communities the hon. member for Skeena was talking about are not as wily as some urban dwellers. I do not know. Why would a thing like this be difficult? It is a matter of geography; more than 25 miles. If that is not enough to satisfy the hon. member for Edmonton West, let us make it 27 or 28 miles. It is a simple matter of geography. There are maps of Canada that show how far it is from point A to point B. Surely, somewhere within the apparatus of the government of Canada there are facts available with regard to where medical facilities are located. If the Department of National Revenue does not have that information, surely it could be supplied by Statistics Canada or the Department of National Health and Welfare.

With regard to the question of evasion, this could be covered by the submission of some kind of voucher supporting the claimed deduction. If it has to be validated by an appropriate medical authority stating that the person was in fact required to travel from his place of residence to a medical facility in order that the claim could be scrutinized by the Department of National Revenue, that would not be a very difficult requirement. I appreciate the

minister's remark that he wants to make sure this is administratively feasible. However, I certainly hope what is essentially a sound proposal to achieve fairness will not be sidetracked, as is so often the case. There is a recent example of this in an information bulletin which was issued the other day; it dealt with the question of expenses at remote sites.

We in this chamber must recognize the realities of life in the various parts of Canada. We should try to make the law fair to those people who accept the advice the Prime Minister has been handing out rather freely in recent months to go to the places where the work is and produce the wealth. These kinds of discouragements can be built into laws to prevent people from feeling they are being treated equal if they go into the resource areas and take the sometimes heavy production types of jobs. It is sometimes difficult to understand the exhortations about young Canadians going to the north, going west, or wherever it may be that these jobs are supposed to be available. I urge the minister and his officials in the Department of Finance not to accept a brush-off from the Department of National Revenue because of some imaginary administrative difficulty.

The Chairman: Is the hon. member rising on the same point? If not, perhaps the Chair should put the motion at this time.

Mr. Alexander: If I understand correctly, Mr. Chairman, the minister would like an opportunity to give this further consideration. In any event, Mr. Chairman, if we are just discussing the whole ambit, I would like to know—

Mr. Stackhouse: Mr. Chairman, I rise on a point of order. If we are not speaking on an amendment, I believe I have the floor.

Mr. Alexander: I am sorry, Mr. Chairman. I do not want to—

The Chairman: Order, please. The hon. member would be right if we were in the House, but in committee any member can seek the floor when another member resumes his seat. No one loses his right. The Chairman has recognized the hon. member for Hamilton West. Following that, I will recognize the hon. member for Scarborough West.

Mr. Alexander: I did not realize my colleague was seeking the floor. I bow to him. If I were sitting on the other side, I would maintain my right but it is my colleague who is seeking the floor.

Mr. Stackhouse: Mr. Chairman, I should like to discuss some of the clauses on page 59 which deal with allowances for students and ask for some reconsideration so that greater help can be given to students, parents and others from many of our middle class families. The incomes of many of these families are too high for them to receive much of the government aid that is available through grants and loans and, at the same time, are so low they find that financing education for their young people is not easy.

I congratulate the minister on the proposals appearing on page 59. They indicate a great deal of progress in this area, first in recognizing the principle that the cost of university and other education should be deductible and, second, making some very admirable provisions for it. Good as the provision is, I think it ought to go much farther. I hope the minister will give consideration to the comments I will make and to the suggestions I will offer.

I first wish to point out that this proposal only allows for one variable, that is the variable of the student's income. According to this proposal, he may deduct $50 a month times the number of months he is enrolled in the institution. In the case of the sponsoring individual making the income tax return, he may deduct the student's taxable income. A much more important and relevant variable for the student or his family is the way the fees vary. According to the proposals on page 59, considerable advantage is given to a person attending a certain kind of educational institution, such as a community college where the fee may only be in the neighbourhood of $250 a year. A student attending for nine or 10 months of the year can claim a deduction of $450 or more. Compare that with the need of the student who is enrolled in a scientific course that may involve him paying a fee in the neighbourhood of $1,000. He can only claim the same deduction as the person paying a fee in the neighbourhood of $250. Some consideration should be given to providing for this variability in the kind of fees our students and their families are paying.

• (1640)

I suggest it could be covered if the bill were changed so that the student or his sponsor might deduct $50 multiplied by the number of months of the year during which the institution is attended, or the tuition fee, whichever was the greater. This would be of considerable help to students enrolled in expensive courses. These students do not all come from high income families. Many are attending these institutions only through great efforts by themselves or by their families. They do not make up a great number of taxpayers, and I think we would find that the value of the help to them would far exceed the burden it might place on the government.

I should like to comment, now, on another subject. Clause 35 makes provision for students attending universities outside Canada, but as far as I can see not for students attending other post-secondary institutions which do not offer degrees. I find it difficult to understand why non-degree-granting institutions within Canada should be on the list of designated institutions while those outside Canada are not. I think we should take into account the needs of students attending nursing schools, art schools and other educational, institutions, which, if they were in Canada, would be on the list of designated institutions.

It sometimes happens that students need to go outside Canada to attend courses which are not available here, and I do not think they should be penalized for doing so. Further, I would point out that we offer the opportunity to a Canadian taxpayer to deduct where a student is enrolled in a non-degree-granting institution outside Canada if the student commutes to such an institution, but not if he is a full-time resident. Again, it is hard to see why this distinction should be made. A student living within driving distance of the United States border might,

for example, be able to attend an engineering school, or a school of technology, or a nursing school, there, and benefit from this concession. On the other hand, if he lived hundreds of miles from the border and was obliged to live near the school of his choice, he could not claim this reduction.

Finally, I would ask that the minister give considerable thought to the possibility of permitting an allowance for parents who send their children to privately-funded schools. According to the most recent figures I have, there are 147,628 boys and girls attending schools of this kind. Many of these children will not go on to universities or colleges. They do not come from high income families. Most of them are in these schools because of profound religious and moral convictions on the part of their parents. The families concerned support the public sector of the educational system through taxation, though they do not necessarily benefit from it. They have to meet, from their own resources, often at great sacrifice, the cost of educating their children at these private schools. I myself am profoundly committed to the concept of the public education system, but I believe we should have equal respect for those who are looking after these private institutions. I suggest that opportunity be given for the parents of such children to deduct all or part of the cost of private education from their taxable income. This would go a long way to assist Canadian parents who because of religious and moral convictions find themselves bearing a very heavy burden.

Finally, Mr. Chairman, I would ask the minister to consider the question of income from educational trusts. I am informed that such income is subject to taxation even though the money derived from the funds will be going to the children. I have received complaints that parents have to regard such income as taxable and I hope the minister will consider exempting income derived from educational trusts from definition as taxable income.

The minister has done something which will receive support from all parts of the House and of the country in recognizing the principle which characterizes his proposals, but I trust he will give serious thought to improving these provisions so as to help a large number of families and individuals who are making an honest effort to advance themselves.

Mr. Skoreyko: A few comments having to do with allowances in respect of students attending certain types of educational institutions. I have received a number of letters from the Edmonton area where parents of nurses have gone to the Department of National Revenue for a ruling as to whether or not student nurses qualify under the section we are considering. They were given a negative answer. They did not qualify because nurses were not attending a degree-granting university. I should like to point out to the minister that those who decide to become members of the honourable profession of nursing work very hard for five or six days a week without pay for what they do. It is true they may receive some benefit by way of board, but the responsibility for their maintenance is a responsibility of the parents. These students will graduate from nursing schools supported by the departments of education in their respective provinces. These nursing schools are entitled, under provincial laws, to grant degrees. Why, in these circumstances, are nurses not accorded the benefits of this section? I shall have more to say on this subject in a few moments after I have heard the minister's response.

Mr. Orlikow: I wish to make a few comments on the subject dealt with by the hon. member for Scarborough East. He may think every member of every party agrees with him, or with the general principle enunciated in this clause having to do with clause 35(6)(h). Speaking as a Member of Parliament and as a taxpayer—and as a taxpayer who benefits from this section—I am less than enthused about this proposal. I have not worked out a detailed calculation, but I have a daughter who attends university for seven months of the year. Based on a total of $350 for the year, in my particular tax bracket I suppose I would save somewhere in the neighbourhood of $100 to $125 a year. I admit that I do not mind getting that saving, but once again it seems to me that we have a relatively new provision in our income tax law that benefits people in the top income brackets of this country who least need the help.

• (1650)

I do not have the actual figures in front of me, but if I say that 80 per cent or more of the young people who attend universities—not community colleges but universities—in Canada come from the upper or middle income groups, I am certain that I am making a relatively conservative estimate. Yet it is precisely this group of people, the young students or their parents, who will benefit from this provision that was brought in last year, I think it was. This is one more illustration of how over the years we have brought into our income tax law special provisions that have eroded the progressive nature of the income tax law and given advantage to people in the upper and middle income brackets. We all know that, particularly since the end of world war II, the gross national income in Canada has risen each year somewhere between 5 and 9 per cent. We know that most people in Canada are living better than ever before, and we all like to think that in recent years we have been moving toward a more egalitarian and equitable society. But that is not the case.

Some questions that I asked both last year and this year and which were answered by Statistics Canada demonstrate conclusively that those in the upper income brackets in this country are each year getting a larger percentage of the gross national product, whereas the people in the lower income brackets are getting a progressively smaller percentage of the gross national product. The question I asked last year and this year was a simple one. I asked what percentage of the total money income was received by the lowest fifth, the second lowest fifth, and so on, of the people in Canada in terms of family units.

What did I find in the answer I was given both last year and this year? I found that in 1957 the lowest 40 per cent of the Canadian people received 16.1 per cent of the total income earned in Canada. In 1967, this percentage dropped to 15.6 per cent, and in 1971, the last year for which there were figures, it went down even more, dropping to 14.2 per cent. On the other hand, the upper 40 per cent of the income earners of this country experienced a reversal of this trend. In 1957, they received 65.9 per cent

of the income, in 1967 they received 66.6 per cent, and in 1971 the percentage was 68.2 per cent.

Some people will say: "Oh, but that is before taxes. Our tax system, transfer payments, pension payments and welfare payments work the other way, and people in the lower income brackets receive a higher percentage of the total income and resources of this country". I do not believe that is true. My belief, which I must admit was an intuitive belief, was reinforced by a study released in December 1972 by the Economic Council of Canada entitled "The Pattern of Taxation in Canada". The author of the study was Allan Maslove, and he deals precisely with what taxes the various income groups in this country pay.

For the sake of brevity, Mr. Chairman, I shall paraphrase the question he asks and the answers that are given. His answers are fully documented in great detail, with a whole series of statistical charts that I would commend to the Minister of Finance and the members of this House. One of the questions Mr. Maslove asked was: Who pays for the various governmental activities; and who, in the final analysis, actually pays—bears the burden of—the tax? Mr. Maslove says that virtually all taxes have the potential to affect the relative economic positions of an individual family in two ways: by affecting the income received—the income-sources side; or by altering the relative prices of the goods bought—the income-uses side. The net effect of these two adjustments, according to Mr. Maslove, is to change the real income position of the individual as compared to his pre-tax position and relative to other members of the community.

Mr. Maslove then analyses taxes on the basis of whether they are progressive; in other words, whether they increase in percentage and in amount as incomes rise, or whether people in the lower income brackets pay more of their income in taxes. He says that the extremely regressive nature of the tax system at the low end of the income scale and the lack of progressivity over the remainder is quite apparent. He points out that from 22 to 39 per cent of the people, depending on province, in all family units are in the lower income range, having an income of $6,000 or less per year.

Mr. Maslove then asks who pays for government programs. He says all of us who pay taxes pay, and most of us do. He then asks which group bears proportionately the heavier burden of taxation, and his answer is that it is the lower income families. Who bears the least of the load proportionately? It is those with higher incomes, particularly those with incomes over $12,000 a year. I suggest that the bulk of students attending Canadian universities come from families with incomes over $12,000 a year. I make no secret of the fact—indeed, even if I wanted to I could not—that I am in this category. Yet it is precisely people like me who get the tax break. Someone in the 50 per cent tax brackets who has one child going to university for seven months of the year will save $175 a year, and I suppose that I shall save about $125 a year. Any person making $6,000 a year whose child attends a university—there are some, but fewer than the hon. member for Scarborough East seemed to suggest—will have only a minimal tax reduction.

While I am not going to oppose this, I would tell the minister—

[Mr. Orlikow.]

The Deputy Chairman: Order. I regret interrupting the hon. member, but it being five o'clock it is my duty to rise, report progress and request leave to sit again later this day.

Progress reported.

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Fisheries—Storm damage in Newfoundland last November—Inquiry as to report and compensation to fishermen; the hon. member for Scarborough West (Mr. Harney)—Industry—Closing of radio production at Don Mills plant of Philco-Ford—Government action; and the hon. member for Gander-Twillingate (Mr. Lundrigan)—Unemployment insurance—Expiration of fisheries benefits—Possible equating of benefit period with qualifying period—Request for statement.

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

PRIVATE MEMBERS' MOTIONS FOR PAPERS

On the Order: Private members' notices of motions (papers).

Mr. Reid: Mr. Speaker, I rise on a point of order. I think there would be agreement to take notices of motions for the production of papers Nos. 48 to 73 in one group. I believe the minister has a short statement to make, and then we could proceed to Notice of Motion No. 76 standing in the name of Mr. Latulippe.

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. Hon. members have heard the suggestion of the parliamentary secretary.

[*English*]

The hon. Minister of the Environment (Mr. Davis) might want to make some comment as to what the House is about to do.

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I have read the motions put forward by the hon. member for Skeena (Mr. Howard), Nos. 48 to 73, and have made inquiries concerning the papers he wishes to have tabled in this House. The government has no objection to providing this information. However, it includes an exchange of correspondence and the production of papers

relating to the provincial agencies in British Columbia and various private companies. I am still endeavouring to obtain clearance from the relevant provincial authorities and the companies in this connection. I can say that, subject to obtaining these clearances, and with the usual reservations as to confidentiality, we will produce this documentation for the hon. member and the House.

Mr. Frank Howard (Skeena): Mr. Speaker, had the statement the Minister just made been made when this series of motions was first dealt with on Wednesday, February 21, then perhaps a different course might have been followed. These motions might well have been adopted at that stage and not cluttered up the order paper for this length of time.

I am perfectly agreeable to the suggestion of the minister that he seek clearance of the authorities of the provincial government and the companies in view of the jurisdictions involved. There is no objection in that regard. I do think, however, that for parliament to accept the concept that once it has passed a law, the Fisheries Act, and set out in that act—

The Acting Speaker (Mr. Laniel): Order, please. I hope the hon. member will enlighten the Chair by limiting his remarks to the question as to what we are to do with these motions. The Chair has not noted that the suggestion made has been adopted and that we are to discharge these motions Nos. 48 to 73, or leave them on the order paper. I would invite the hon. member to speak to this point.

Mr. Howard: Mr. Speaker, I had understood that the House was agreeable to putting notices of motions for the production of papers Nos. 48 to 73 inclusive as one motion in order to table the correspondence in respect of them all. That is the motion to which I was speaking. I was also referring to the suggestion of the minister that we do this only after he receives authority from the provincial government and the private companies. In speaking to that motion, I had reached the point of saying I think it is most improper and wrong for this parliament, having passed this law, the Fisheries Act, which declares that it is an offence to place deleterious substances in water frequented by fish—

The Acting Speaker (Mr. Laniel): Order, please. Again, as far as the Chair is concerned, there is no motion before the House. The Chair is not sure that hon. members have decided to proceed with this group of motions at this time, or whether the hon. member is making his comments in reply to the remarks of the minister. I noticed that the parliamentary secretary was rising in his place a moment ago. Perhaps he could enlighten us as to the procedure the House wishes to follow.

Mr. Reid: Mr. Speaker, the procedure I suggest is that there be an order of the House to accept motions Nos. 48 to 73 together so that after they are accepted by the House and the minister receives necessary clearance, with the usual reservations, the papers could be tabled in the ordinary way.

There was a change in the position that was taken as a result of the guidelines announced by the President of the Privy Council (Mr. MacEachen) two or three weeks ago as to how the government would approach the problem of making available to members of the House papers requested on motions for production. There had been a decision taken by the government and these motions were then transferred for debate. The government would now like to make these papers available and have the motions discharged in that sense, and passed by the House.

The Acting Speaker (Mr. Laniel): Subject to the comments of the hon. member for Skeena (Mr. Howard) and the minister, is it agreed that an order of the House be made that motions Nos. 48 to 73 as appearing on the order paper be put at this time?

Some hon. Members: Agreed.

* * *

POLLUTION

REQUEST FOR COPIES OF DOCUMENTS EXCHANGED BETWEEN DEPARTMENT OF ENVIRONMENT AND VARIOUS COMPANIES RELATING TO PULP AND PAPER MILL EFFLUENT REGULATIONS

Mr. Frank Howard (Skeena) moved:

That an Order of the House to issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and MacMillan Bloedel Limited, Port Alberni, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and MacMillan Bloedel Limited, Nanaimo, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Northwood Pulp Limited, Prince George, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Prince George Pulp and Paper Limited, P.O. Box 6000, Prince George, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Rayonier Canada Limited, Woodfibre, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Rayonier Canada Limited, Port Alice, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between

the Department of the Environment or any agency or branch thereof and Scott Paper Limited, P.O. Box 760, New Westminster, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Tahsis Company Limited, Gold River, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Weyerhaeuser Canada Ltd., P.O. Box 800, Kamloops, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Cariboo Pulp and Paper Company, Quesnel, British Columbia (Start-up: end of 1972), since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and British Columbia Forest Products Ltd., Mackenzie, British Columbia (Under Construction), since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Belkin Paperboard Limited, Burnaby, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and British Columbia Forest Products Limited, Crofton, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Canadian Forest Products Limited, New Westminster, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Canadian Forest Products Limited, Port Mellon, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Columbia Cellulose Company, Limited, P.O. Box 1000, Castlegar, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Columbia Cellulose Company, Limited, Prince Rupert, British Columbia (kraft), since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Columbia Cellulose Company, Limited, Prince Rupert, British Columbia (sulphite), since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Crestbrook Forest Industries Ltd., Skookumchuck, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House to issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Crown Zellerbach Canada Limited, Campbell River, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Crown Zellerbach Canada Limited, Ocean Falls, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Eurocan Pulp and Paper Co. Ltd., Kitimat, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Finlay Forest Industries Ltd., Mackenzie, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Intercontinental Pulp Company Ltd., P.O. Box 600, Prince George, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and MacMillan Bloedel Limited, 1010 Derwent Wau, Annacis Island, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and MacMillan Bloedel Limited, Power River, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned Company.

He said: Mr. Speaker, I hope it is clear what we are talking about at this point. I had reached the stage of my remarks where I suggested it is inappropriate for the Parliament of Canada, having passed a law which says that it is an offence to put deleterious substances in water frequented by fish, to then suggest that as of the date of

the so-called pulp and paper mill effluent regulations of 1971, those regulations should apply to the pulp and paper mills in spite of the Fisheries Act.

I think it is inappropriate for the minister to now stand in this House and say "we are agreeable", meaning "him", and then ask this parliament to endorse the concept that we should now adulterate or dilute the authority of this parliament by making the law subject to a decision of private corporations. The law of this land was made to apply to every one of these pulp and paper mills referred to in motions Nos. 48 to 73 inclusive. Parliament adopted the regulations; parliament has made the law of the land and I do not think the minister should be allowed at this time to ask us to agree that what parliament said in respect of the law should be subject to what the private corporations want. I do not think we should be asked to allow the minister to apply the law in that way.

Presumably these companies have been approached by the department as to the application of the pulp and paper mill effluent regulations, and I just cannot agree to the idea that we should now ask those companies whether it is all right for them to produce documents which relate to the very point as to whether they are or are not, and to what extent, complying with the law of this land, namely the Fisheries Act.

The other point I wanted to mention comes about as the result of what the parliamentary secretary said in respect of the guidelines for the production of papers. Apparently the government has taken a different view in respect of these particular motions. These motions were transferred for debate at the insistence of the government on February 21 on the ground that the documents sought were papers which were confidential. The guidelines to which the parliamentary secretary now refers were contained in Cabinet Directive No. 45, which was distributed under the signature of R. J. Robertson, Secretary, on February 16, a full five days before somebody stood up in this House saying these matters were confidential and could not be tabled.

• (1710)

I assume that the motion having been put it will be agreed to upon the conditions set down by the minister. I just think it is a wrong principle to establish that a law of this Parliament is subject to a decision by a private corporation which is required to meet the provisions of that law.

Mr. Speaker: Subject to the reservations of the minister, is it the pleasure of the House to adopt Motions Nos. 48 to 73 inclusive?

Some hon. Members: Agreed.

An hon. Member: On division.

Mr. Speaker: Carried on division.

Motions agreed to.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST FOR PRODUCTION OF DOCUMENTS RELATING TO GUARANTEED LOAN TO COMMONWEALTH HOLIDAY INNS LTD. OF LONDON, ONTARIO

Mr. Henry Latulippe (Compton) moved:

That an Order of the House do issue for a copy of the agreement and of all documents concerning the offer of a guaranteed loan from the Department of Regional Economic Expansion to Commonwealth Holiday Inns Ltd., of London, Ontario, for the construction of a hotel in Winnipeg, Manitoba.

He said: Mr. Speaker, I am glad that the government has agreed to study this matter. This information will be very useful to us, because a number of hotel owners have heard about this and would like an explanation of what the government has done. This, Mr. Speaker, is why we requested production of these papers.

I should like to protest about one aspect of the loan guarantee program. I am in favour of guaranteeing loans to industry, but I do not think that we should guarantee loans for building hotels. I sincerely believe that the guaranteeing of loans of $675,000 to Commonwealth Holiday Inns Ltd. and $1,460,000 to the Parc Samuel Holland Hotel in Quebec contributes nothing to the Canadian economy, because large concerns can easily obtain capital.

Mr. Speaker, the Department of Regional Economic Expansion could use this capital for other purposes, to help a number of other businesses or industries. The Industrial Development Bank in particular could help with financing these businesses, and I think the department need not have gone so far. However, I am aware that this will create a number of jobs.

I know that this can be a labour intensive area but I think the Department of Regional Economic Expansion has been established for another purpose, namely to help industry.

Mr. Speaker, big hotel chains have other facilities to find the capital they need. Moreover, these industries get loans for a period of 10 or 20 years. After the expiry date, if they havent made all the payments, the government or the responsible agency is committed to pay back up to 90 percent of the capital which has not been reimbursed when due. The department guarantees up to 90 per cent of the payments which have not been made.

Mr. Speaker, these institutions will not hurry to pay back that money. If after 10 years, there is still $500,000 or $1 million outstanding, the government promises to pay up to 90 per cent of these amounts.

I think that this help should be given to industry rather than to hotel owners. Several small hotel owners told us they had been refused the financial help they were seeking from the Department of Regional Economic Expansion. If this help is denied to small hotel owners, it should also be denied to big institutions that need a lot of capital and have facilities to get the capital they need for their development.

On this subject, Mr. Speaker, I wonder if the government intends to stop guaranteeing loans for the construction of big hotels.

I would also like to know whether it intends to make guaranteed loans available to individuals who would like to take advantage thereof, since in my opinion it would be the best way to restore our capital-starved national economy. Indeed, capital is scarce and everybody deeply regrets it. However, since we have other organizations to assist such establishments, they should act. The guarantees must be satisfactory because it is one of the best trade in the world.

The hostelry trade is thriving therefore guarantees are satisfactory. The Industrial Development Bank should meet those needs and let the Department of Regional Economic Expansion promote those who are unable to get funds to meet their needs and thus encourage the growth of their trade or industry.

• (1720)

If we use the funds of the Department of Regional Economic Expansion to provide more beneficial help for those types of businesses or industries I just mentioned, I think the money could be put to better use and the people would benefit from it.

I know the regulations of the Department of Regional Economic Expansion are broad; I also know that the law favours help to big industries, big businesses. But if the Department of Regional Economic Expansion is to be in charge of that, I ask that it do so not only for big industries or big hotels but also for small people. The Industrial Development Bank could intervene instead of the Department, which should receive instructions as to certain reserves. The money could be distributed in a more satisfactory manner to guarantee certain amounts for small businesses and small industries which are in need of money and cannot get it because large amounts are invested in big institutions. Certain industries should have preference over those institutions.

So I ask for the co-operation of all hon. members of this House and I would like those anomalies to be corrected somehow. I would also like to see businesses in need of help benefit more from it and the funds available to the government used in a more direct fashion for institutions and businesses really in need of money.

Again, I think the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) for telling us that the government was accepting in a block the notices of motions for papers Nos. 43 to 76. I thank him for the papers he will be tabling and for the decision. I am happy to see the government decided to release the information on those types of businesses. This has to be known because people, as I say, ask us for information on them. With the production of those papers and all the information required we will be in a position to satisfy those who ask us for information.

I will not say more; I would still have a lot of things to say but since the production of those papers has been accepted I thank once more those who are responsible for it.

Mr. J.-J. Blais (Nipissing): Mr. Speaker, at the beginning of my remarks I must point out that the member for Compton (Mr. Labulippe) has misunderstood, because the notice of motion for paper No. 76 has not been accepted. I was extremely surprised that the member did not discuss the notice of motion he presented in the House.

[Mr. Latulippe.]

As for the argument proposed by the hon. member, Mr. Speaker it gives me pleasure to point out that the new program of the Department of Regional Economic Expansion is of course a new initiative from the government, although the department has been in existence since 1969. The member for Compton will be the first to admit that experiments are still underway, and that the results accumulated until now cannot possibly provide the department with sufficient information for the department to become omniscient.

I would like to point out first that my comments may indicate that there is a lack of understanding about the departmental policy regarding guarantees. In view of the fact that I was not prepared to answer the hon. member's statement, I will give him the information as I understand it.

The guarantee is available for loans of $250,000. It is not a loan but a guarantee offered by the department to the applicant. It is not an application to the department to obtain a loan which would be refundable. The applicant must go to his bank and ask for the funds he needs. The minimum amount for the loan is $250,000. Once the applicant has subscribed his contract with the bank—which of course is not a very popular institution with the hon. member of Compton—the Department of Regional Economic Expansion will review the material to see if it is really suitable to protect the interests of the lending institution. I am sure that the department will not commit itself unless it is convinced that the guarantees offered by the applicant are suitable to protect the interests of the bank.

In the system which has been in existence for a few centuries already, he who stands surety for someone is not held responsible first for paying back the loan. Of course, the applicant is expected to do that.

The hon. member made a few remarks on the fact that some hotel owners whose turnover does not justify a loan of $250,000 are disadvantaged by the present policy. Perhaps, in the very near future, the department may lower the ceiling; at any rate, there will be a change as regards the amount available or at least the key amount which will be the main criterion for the department when granting guarantees.

I should now like to deal with the matter before the House. It bears directly on the production of documents. I am convinced that the member for Compton would be the first to recognize, in agreement with the members of his party, that private enterprise still exists in Canada. I want to insist on the confidential nature of the documents.

Mr. Speaker, we do want businessmen to be assured some discretion with regard to their day to day exchanges. Needless to say, the government has seen fit to advance sums of money to individuals when the public good was concerned. But these amounts are always offered regular businesses. I am sure the hon. member would not want us to invite private enterprise to make requests from the government and that it should, in turn, use that information against them.

Surely the member for Compton recognizes that when there are exchanges between applicants under the DREE programs, the information they supply must necessarily be protected.

Mr. Speaker, this is why the application forms bear at the top a note that the information supplied by the applicant will remain strictly confidential. This does not mean that the information is not available.

Besides, Mr. Speaker, I am sure that the hon. member for Compton, with the utmost facility, could obtain information as to the way one should file an application, the criteria under which applications are granted, etc. And I am sure, given the generosity of the department, that such information would be provided to him.

In fact, a monthly report issued by the Department of Regional Economic Expansion has been tabled in the House. I am referring to the January 1973 issue which gives all necessary information to properly fill the applications.

Such information is made public. Mr. Speaker, I am referring to the January report since, apparently, the hon. member for Compton has not had an opportunity to go over that document and, evidently, he has not seen that of February nor that of March.

The document was tabled in the House in January 1973 and reads in part as follows;

The purpose of this monthly report is to provide Parliament and the general public with up-to-date information on the operation of the regional development incentives program. The report contains summary statistics on administrative actions taken from the inception of the program until the end of the month in question, together with listings of essential facts pertaining to each offer of incentive assistance accepted during that month.

• (1730)

Industrial incentives are available in broad regions and special areas designated by the federal government following consultation with the provincial governments.

Then, from this report, the monthly grants keep on being paid with "Details of offers accepted; and of offers accepted and subsequently revised, declined or withdrawn."

Then, Part III gives a "LOAN GUARANTEE ACTIVITY DURING THE MONTH" as well as details of offers accepted; and of offers accepted and subsequently revised, declined or withdrawn.

Finally, Part IV gives definitions, etc.

I wish the member for Compton would read this report because it is obviously most exhaustive.

Now, I would like to quote this:

Application of Terms to Loan Guarantees

—which is directly connected to the motion of the hon. member for Compton.

The above definitions apply to both incentive grants and loan guarantees, except that there are no payments to applicants with loan guarantees.

This is what I said earlier

And further on:

When providing loan guarantees the department enters into an agreement with the lender to guarantee repayment of a portion of a loan being made to the applicant. Such an agreement can only be executed when the applicant and the lender complete the loan arrangements.

It is just as I said. There must be agreement as to terms; it is the department's duly to ensure that the agreement protects the interests of the Canadian people.

I continue to quote:

The original offer to the applicant by the department is in the form of a letter of intent, a copy of which is sent to the prospective lender.

It goes without saying that the document must remain confidential, because it deals with very private matters which is necessarily confidential information. This is, for instance, the market that the applicant considers, new techniques that they would not want to make public. The financial status of a company is of no concern to its competitors. It goes without saying that these papers must remain confidential, and I am sure that the hon. member for Compton will agree with this.

I keep on reading the report:

Acceptance of the letter of intent by both parties is considered as an "offer accepted". If the applicant fails to complete his loan arrangements, the offer is withdrawn. If the applicant abandons his project or completes his loan arrangements without the guarantee, the offer is "declined".

So, it is quite possible that in such a case the applicant gets a loan without having to submit guarantees; obviously, the lender would be ready to advance money to the applicant if his guarantees are absolutely secure, and only when the applicant cannot get satisfaction from a bank does he consult the department. So, that is it. The report adds:

Once the Department has completed an agreement with the lender, there is a "guarantee in operation".

A loan guarantee applicant discharges his loan obligations directly with the lender, reducing at the same time the potential liability of the department.

Of course.

Mr. Speaker, if I require that all the documentation be tabled in the House, that will directly encourage a procedure which has been always condemned by parliamentary institutions. Since the implementation of the program, the party, the government, the department has adopted the policy whereby the applicant is informed that all information will be strictly confidential. One would not be wise to cause the government to show ill will by asking it to change its attitude. We would no longer receive applications because I am sure that some applicants would not give to the department information which would necessarily be against their interests if it were disclosed.

Moreover, Mr. Speaker, I would like to indicate to the hon. member for Compton that if the government agreed to produce documents now, that would go directly against the principles stated in the House last March 15 which can be found in Appendix B of *Hansard*. I refer precisely to three of those conditions:

[*English*]

Exemptions.

The following criteria are to be applied in determining if government papers or documents should be exempt from production:

Commonwealth Holiday Inns Ltd.

[*Translation*]

Paragraph 5 reads as follows:

[*English*]

Papers containing information, the release of which could allow or result in direct personal financial gain or loss by a person or a group of persons.

[*Translation*]

Obviously the hon. member for Compton will be the first to agree that some of the information he requests could spell economic disaster for the applicant.

Paragraph 10 reads as follows:

[*English*]

Papers relating to negotiations leading up to a contract until the contract has been executed or the negotiations have been concluded.

• (1740)

[*Translation*]

Under the existing procedure an offer is made by the department. That offer should lead to a contract and this falls directly under that paragraph. There is no question about it. Paragraph 14 is most important and deals directly with the hon. member's request. It reads as follows:

[*English*]

Papers that are private or confidential and not of a public or official character.

[*Translation*]

Mr. Speaker, what is more private in a private enterprise system than information relating directly to the efficiency of this enterprise? I can see nothing here that might be considered public. I never asked the member for Compton to show me his bank account or his arrangements with his bank manager or even with his wife. I do not know what kind of relations he has on the strict economic point of view. Nor would I like him to ask me my financial conditions.

I am also confident that the member for Compton would meet a rather violent response from businessmen in his riding if all at once he asked them: "Gentlemen, will you please let me have your balance sheet so that I can better judge the conditions which might affect you in our riding". Of course, this might be very useful to him, but surely this is not justified under the circumstances.

Mr. Speaker, I will not take any more of the time of the House because, in my opinion, this issue is quite clear. I am sure that having heard my remarks, the member for Compton will admit that this is not at all the acquisition of public property under the requested documents.

As regards representations for wider distribution of information to prospective applicants, either in my constituency or in his, I am in perfect agreement. In my opinion, the Minister of Regional Economic Expansion (Mr. Jamieson) would be the first one to supply to the highest number of applicants the information which could encourage them to use the facilities which are available under the new law.

Besides, Mr. Speaker, I hope that, in view of the interest shown by the hon. member for Compton, sooner or later he will, depending on his political success, second the

[Mr. Blais.]

government when the time comes to develop the department's program and the government in general.

This program is beneficial to my constituency and it would be more advantageous for us if it were more complete. I think the hon. member for Compton will agree, because the regional development program is unique in that it was not established in another country and it must be given as much encouragement as possible. One of the main aspects of this program is respecting the secrecy between the applicant and the government.

[*English*]

Mr. Jake Epp (Provencher): Mr. Speaker, in speaking to the motion before us there are some preliminary remarks I wish to make relating to the Department of Regional Economic Expansion. When the present government was first elected in 1968, I was not a member of this House. However, it was my impression that the government espoused two priorities: first, linguistic equality of both of Canada's official languages and, second, removing some of the regional economic disparities that exist in Canada.

May I say that I endorse the underlying principles put forward. I also endorse in general terms the objective of the Department of Regional Economic Expansion, which is that industrial incentives be made available in particular regions following their designation by the federal government after consultation with provincial governments. Surely, many aspects of economic development must be considered when one talks about industrial expansion. One could mention transportation and geographic isolation. Our transportation system must span these geographically isolated communities as much as possible.

One must also look at DREE programs from the point of view of the capitalization necessary for small and medium size industries. There is great potential in so-called designated areas, but if this potential is to be utilized and realized there must be outside help with capitalization. As the hon. member who just resumed his seat suggested, it is necessary for there to be co-operation between federal, provincial and municipal governments and with private entrepreneurs if this potential is to be realized.

If I may speak directly to the motion, the hon. member for Compton (Mr. Latulippe) wishes specific documents to be produced. I agree that to some extent certain aspects of DREE activity should be made public and come under scrutiny. The activity mentioned in the motion, however, is not an area that should be made public because a certain amount of confidentiality is necessary in connection with the loan application and those who review it. If private entrepreneurs are to avail themselves of government help, specifically that given by DREE, they must be confident that their financial position and other internal matters pertaining to the company do not become the property of the public.

I shall now speak specifically about the convention centre, or the Commonwealth Holiday Inn mentioned in notice of motion No. 76. As I come from Manitoba, may I point out a few factors of which the hon. member may not be aware. As hon. members know, Winnipeg, by virtue of its location in the mid-continent, is uniquely placed for the development of convention and tourist facilities. It is

fairly closely related to large metropolitan areas of the United States such as Minneapolis, Minnesota. It is quite accessible from the mid-western United States.

The province of Manitoba and the city of Winnipeg, specifically Unicity, have been able to get together, the result being that private entrepreneurs are now developing what is known as a convention centre in Winnipeg. That centre will contain recreational facilities and will be suitable for the holding of large and small conventions. The Commonwealth Holiday Inn is part of this complex and of the development of the inner city of Winnipeg. I am speaking as a Manitoban who lives 40 miles outside Winnipeg. This centre will be an asset not only to Winnipeg but to all Manitoba. That is the type of development we are looking for from DREE.

The hon. member suggested that the money spent should have been made available to small businesses. I agree. However, a guaranteed loan of this nature does not rule out any loans that might be made to small or medium sized businesses. So I endorse what has taken place with the assistance of local and provincial officials in Manitoba whose work has enabled us to include this Holiday Inn as part of our convention facilities.

• (1750)

In anticipation of the completion of the convention centre we have already seen in the general area of Winnipeg the development of hotel facilities which are second to none in North America. Mr. Speaker, if you relate the hotel facilities and the number of rooms we will have in Winnipeg to the population of Manitoba, you will see why we anticipate economic development as an ancillary effect of the convention centre through the expanded tourist industry.

Almost all of Winnipeg is regarded as a designated area under the DREE umbrella. I refer to the city itself. I have been speaking more of rural areas and their development. I could say that Winnipeg should not be included as a designated area, but I cannot be so provincial. Vancouver, Toronto and Montreal have gained a reputation, in many circles, and if you are holding a convention it is thought it should be in one of those centres. We in Manitoba, specifically Winnipeg, are trying to prove that this is not the case. Winnipeg has facilities which make it a viable convention area.

As an aside, I might say that Commonwealth Holiday Inns have built a facility in Kenora, Ontario, which is just outside my constituency. This is a very modest facility relative to large urban centres, but it is a very fine facility for a town the size of Kenora. The impact the hotel has had on Kenora by reason of one being able to find hotel accommodation has increased the tourist industry, not only in Kenora but in the eastern part of my constituency which depends almost entirely on tourism. It is an expanding industry. In my constituency, which is just west of the Manitoba-Ontario border, we feel the effects of this hotel in Kenora. Ancillary effects are also being experienced in Kenora and eastern Manitoba.

I agree that possibly more grants should be made available to smaller operators in tourist industries, such as rural hotels, lodges, and so on. I do not believe a guaranteed loan of this type would in any way rule out such development. The large, international hotel chains are not necessarily considering moving into the smaller areas. They are not competing in those areas. There is a lot of room for development by the small entrepreneur. A guaranteed loan of this nature would not jeopardize development or expansion in the smaller areas.

I will endorse DREE as long as its objective is the economic development of areas which have been designated, not as areas that need help but requiring special encouragement in capitalization so they can compete. We want to remain on a free enterprise basis and capitalize and utilize our facilities and personal drive. That should be, and I believe it is, the aim of DREE. I endorse what has happened relative to this guaranteed loan and the development of the convention centre in Winnipeg. In conclusion, I invite all hon. members to Manitoba, not only to use the convention centre but to take advantage of the facilities that have been built to house people for the night.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to make only a few remarks on the notice of motion for papers now under debate.

I wonder why the government refuses to table those papers. Would it have something to hide?

Mr. Prud'homme: That was explained earlier.

Mr. Allard: They said why; they said it is because they are confidential, but I think hon. members should be informed about what is going on in different fields.

That is why I support the request of the hon. member for Compton (Mr. Latulippe). I wonder if the hon. member who answered him, the member for Nipissing (Mr. Blais), supports private enterprise. I wonder if he knows the difference between a private enterprise and cartels.

As to the case before us, it is a chain of hotels. Consequently it is a big corporation which properly deserves to be called a cartel. I want to make it clear to the hon. member that the minimum amount of $250,000 is inaccessible for other firms, small family firms or the sole owner.

This is why I urge the Minister of Regional Economic Expansion (Mr. Jamieson), on behalf of small and medium hotel firms, to lower the ceiling, in future regulations, to $25,000 for loans granted to innkeepers. I have nothing against the $250,000 loan guarantee. If this is good for big companies, we should also favour those of lesser importance in order to enable them to survive.

In the province of Quebec, numerous places are tourist havens, especially in the Gaspé peninsula, on both shores of the St. Lawrence and in the northern area of the Laurentians. If the government really wants to promote the industry, the second most important in Quebec, it should lower the $250,000 ceiling in order that loans may be more readily accessible to small and medium companies.

Such action would tend to promote tourism in our country and, as I said before, I am in favour of assistance to major businesses, provided the smaller ones are also

looked after. As it is six o'clock, I must interrupt my remarks.

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

Mr. Prud'homme: Mr. Speaker, I am rising on a question of privilege.

I shall ask the hon. member if it was really his intention to kill his colleague's motion.

The Acting Speaker (Mr. Boulanger): I have already called it six o'clock and that is why I have decided against the question of privilege.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed consideration in committee of Bill C-170, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the chair.

The Deputy Chairman: Order. When the committee rose at five o'clock it was considering clause 35.

Mr. Orlikow: Mr. Chairman, when I was discussing this subject earlier today I was making the point that while I have no particular objection to this clause which gives tax benefit to a taxpayer who has a dependant attending university, I feel it is just one more example of benefits being given to people in the middle and upper income brackets. I draw attention to the figures made available by Mr. Maslove in the study he carried out for the Economic Council, which showed conclusively that people in the lower income bracket pay a substantially higher percentage of their income in taxation to the three levels of government than do other taxpayers.

Since I spoke earlier this afternoon I have learned that the government of Ontario has announced it will increase sales tax from 5 per cent to 7 per cent.

Some hon. Members: Shame.

Mr. Orlikow: I suppose there are very few taxes more regressive than sales tax. The only example I can think of are municipal taxes which are paid on property without any relation to wealth or income. Other than this, there is no tax more regressive than sales tax. All the studies show that people in the lower income bracket pay substantially more this way as a percentage of their income than do taxpayers in other income groups.

We have made some progress. It is not often I commend the minister, but I commend him now on the very progressive step he took when reducing income tax rates. I commend him for weighting the benefits of these cuts instead of providing a flat rate which would, again, mainly benefit those in the middle and upper income brackets. I have been reading a book entitled "The Rape of the Taxpayer," written by a former senior civil servant in the United States treasury department, Mr. Philip Stern. He gives an illustration of what I have in mind. He points out that if Governor Nelson Rockefeller, for example, were to make a donation of $100,000 to one of his favourite charities, the Museum of Modern Art in New York city, his liability for income tax would be reduced by $70,000. So in effect he would be given $30,000. But if a schoolteacher gave a donation of $10 to the museum, the tax deduction would amount to only two or three dollars.

This is the kind of inequity we have incorporated into our income tax laws over the years by means of special clauses and subsclauses designed to help somebody or other, usually those in the middle and upper income brackets. Consequent upon the income tax reduction which I am sure will be approved by the House—I am thinking specifically of the 5 per cent reduction—every taxpayer will get an immediate reduction of $100. But for many people in the lower income bracket, particularly married men with dependants, the reduction of $100 is, in fact, not 5 per cent but as much as 45 per cent. That is the kind of tax policy thinking that I should like to see the minister not only continue but expand.

• (2010)

May I close by giving the minister an illustration of what I mean by referring to something that was done this year in the province of Manitoba. The Manitoba government put through a program called the education property tax credit plan. They took the view that every person who owns his own house or rents accommodation for himself and his family is paying, in his municipal taxes, for the support of the educational system in his area. The government have taken the view that the burden of local taxes is becoming too onerous; therefore they have devised a tax credit plan under which every person who pays income tax is entitled to a credit of a minimum of $50 and a maximum this year of $147. Next year the maximum will go up to $200.

The difference between that plan and most other tax plans that I know about is that the minimum $50 is given to people in the middle and upper income brackets, whereas the maximum of $147 this year and $200 next year benefits those in the lower income bracket. As one's income increases, so one's tax credit decreases. Not only does it give a tax credit to those who pay income tax; it gives a rebate to people whose income is so low that they are not required to pay income tax. The province is encouraging these people to fill out an income tax form, and has opened offices with staff to help people who are not accustomed to paying income tax to fill out the form and mail it to the provincial finance minister. In return they get a cheque in the form of a rebate under the plan. The Minister of Finance is beginning to think along those

lines. I think he has made a good beginning, though he has not gone nearly far enough in his income tax reduction this year.

My last point is this. I tried to make it clear in my remarks before the dinner hour that I did not object to this particular form of tax aid to people with dependants at university. However, it is time we looked at our whole income tax structure in this country and revised the system, wiping out most, if not all, of the concessions given to special interest groups, whether they be in the oil or mining industry or any other industry. We should do what the Carter commission said, which essentially was that we should regard a buck as a buck and people should pay taxes on that basis.

Mr. Yewchuk: Mr. Chairman, I want to make some comments with reference to paragraph (g) of this clause. This is the paragraph which provides an exemption for students, particularly those who are taking a course that offers a degree. It would appear that somebody has made a mistake and decided that nurses do not receive degrees and thus do not qualify under this provision. The fact is that nurses do get a degree, called an RN. This is just as valid and accepted as a B.Sc., a B.A., a B.Ed. or any other degree.

I suggest the minister take another look at this provision and make a change to entitle nurses to the same sort of privilege as that granted other students. Their expenses are no less than those of other students. Their work is no easier than the work of the students. Also, they are usually very beautiful and should get a deduction for that in itself. Some of them even know more than the minister responsible for housing.

Mr. Basford: Some know more than the doctors.

Mr. Yewchuk: They certainly make a great contribution to the care of patients, and no doubt patients appreciate the services that are rendered by nurses. Most patients would take much longer to get better if nursing services were not available. I wonder whether the minister would give me an explanation for taking this type of unpopular step at a time when he is trying to be so popular in this country. It would be easy to make a change to the wording of the clause. I just wanted to bring that matter to his attention.

Mr. Nystrom: Mr. Chairman, I have one question for the minister on clause 35(5)(e.1) which provides a $1,000 deduction for people who are blind or confined to a bed or wheelchair. Has any consideration been given to expanding this provision to include invalids who are not necessarily confined to a bed or wheelchair? Many members get letters from people who are unable to work owing to permanent sickness. Just half an hour ago I came across a case where a fellow had been an invalid for five years and unable to work. As I read this provision, this man's spouse would not be able to deduct $1,000 because he is not necessarily confined to a bed or wheelchair.

Mr. Turner (Ottawa-Carleton): To deal with the last point first, Mr. Chairman, it is possible that it has been difficult to define just what "disability" consists of; that is our problem there. We are continuing to widen the exemption as we go.

The question of nurses was brought to my attention by the hon. member for Athabasca's colleague from Edmonton East. I passed him a note across the Chamber with the answer that the nurses' associations ought to get themselves certified under the regulations of the Department of Manpower and Immigration so as to qualify under the deductibility clause. This is something they should be able to do through their association.

Mr. Yewchuk: Mr. Chairman, would the minister clarify the exact procedure that is required? Would any other legislative changes be necessary as far as the manpower department is concerned, or is it simply a question of registering with them?

Mr. Turner (Ottawa-Carleton): It is simply a case of registering the profession of nurse with the Department of Manpower and Immigration. I have had dealings with nurses' associations. At one time, may I inform the hon. member, I had five hospitals in my riding in Montreal, and I found that the nurses were better organized than the doctors. I just put that on the record so that the nursing associations will know what to do.

Earlier there were some comments about tuition fees. May I draw to the attention of the hon. member for Scarborough East section 60, subsections (e), (f) and (g) of the existing act where he will see tuition fees generally are deductible. This is an educational deduction generally for the student, for his spouse or his sponsor. I think when they are read together it will be seen that we have broadened this deduction a good deal.

• (2020)

The hon. member then spoke of non-degree institutions, particularly outside of Canada. I suppose this is a policy decision that will have to be reconsidered at some time, but the impetus has been to try to persuade our students to get their education in this country. He then referred to the commuter problem. We will take another look at that, but at the moment we find there is not enough policy thrust for his suggestion.

In respect of secondary institutions the hon. member is getting into the separate school question. The federal government has stayed constitutionally clear of primary and secondary education. We are involved in post-secondary education, educational manpower training for employment, and recycling. I think I would have great difficulty persuading the provinces that this was not an initiative already in their domain, and I am afraid I cannot recommend to this House that we get into it. The hon. gentleman should direct his question to the Ontario government.

Mr. Skoreyko: Mr. Speaker, when the minister referred to nursing associations, did he mean a nursing association, or individual nurses? In the province of Alberta, for example, would they be certified, or could each individual nurse be certified?

Mr. Turner (Ottawa-Carleton): Any nursing association anywhere in the country, if it could persuade the Department of Manpower and Immigration to recognize the

profession of nursing, or a particular school of nursing, as a qualified institution within the regulations would be eligible and that would be the end of it. I would suggest that the Alberta nurses ought to see what they can do to get the various training schools in the hospitals qualified within the regulations of the Department of Manpower and Immigration; they would then be qualified within the section and the amendment.

Mr. Stackhouse: Mr. Chairman, I would like to make a few comments on what the minister has said. First of all, under the provisions of the existing legislation, as I understand them, a student is entitled to deduct tuition fees, but I do not recall a sponsoring individual having that right.

Mr. Turner (Ottawa-Carleton): That is right.

Mr. Stackhouse: My plea was on behalf of the sponsoring individual having an equal right to that of the student. With deference to the minister's remarks, I should think further changes would have to be made to the legislation before us; or perhaps the minister will bring in something new to give the sponsoring person the same right the student apparently now has.

Secondly, in respect of what the minister said about secondary education, I do not think this gets us into the separate school issue per se, because it involves many other institutions. The reason the province of Ontario has not seen fit to pay the costs of students from grade 11 on is that from grade 11 these institutions are regarded as private schools.

Therefore, I was referring to all secondary institutions privately funded, which includes institutions sponsored by many religious groups, Christian, Jewish, Protestant, Evangelical, and other persuasions some of which have no religious reference at all. Parents send their children to these schools because of their own convictions. It seems to me when parents are sponsoring the public educational system through taxation, but because of their own particular convictions have a desire for another form of education for their children, they should have this advantage. In this instance I feel the federal government should agree.

Rather than looking at this matter in the parochial way, I think it is back in the lap of the Minister of Finance. I hope at a subsequent time he will bring forward a measure to give these people as much relief as possible. I think the minister should do this as an example of what might be done in the future. The government has accepted the principle that the cost of education can be deducted not only for students but for sponsoring individuals, and I think we will see steady progress in this area over the years with the government providing more and more assistance year by year. This is very often a technique used by government. It is very much like the salami technique, under which you offer a slice this year, a little more next year, and so on. I think we can look for progress. However, I wish the minister would not be so content to wait, but would give the people, now, what they really need.

Mr. Nystrom: Mr. Chairman, I want to pursue the point again with the minister about people who are disabled. Would he have his officials look at this clause once again? It seems to me a bit unfair the way it stands. I am not trying to make a political point here, but a number of people who are genuinely disabled or invalid are not necessarily confined to a wheelchair or to bed.

It seems to me this legislation could contain a clause that would provide for eligibility under a doctor's certificate or statement to the effect a person is unable to work or pursue his occupation. That should be enough to qualify him for the $1,000 exemption on the spouse's income. Would the minister consider standing this clause for the evening and having another look at it to see whether he could possibly include this type of provision to make the legislation more equitable for people who are disabled? Many people in this country have disabilities but do not receive adequate pensions or assistance, either federally or provincially, and a provision such as this would be a small help to them in remedying the situation.

Mr. Turner (Ottawa-Carleton): We are being quite specific here, Mr. Chairman, in that we are referring to individuals confined to bed or a wheelchair. This is the essential purpose of the relief, and we prefer at this time to leave it at that. We will take the hon. member's problem under advisement, but we are specific in the parameter of relief that we are covering.

Mr. Ritchie: Mr. Chairman, I should like to ask the minister whether his department has a definition of blindness, because this is very difficult to define. Does he have guidelines he could send to the people who are affected?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, there is nothing within the statute to define blindness. This, again, involves a question of fact. I suppose it could be by medical certificate.

Mr. Yewchuk: Mr. Chairman, I am sorry to be asking more questions on this matter but I am still not clear as to what is required. The minister says nurses know what to do, but it strikes me as rather peculiar that they have not done it. He went on to say they have to persuade the Minister of Manpower and Immigration to allow them registration within the department. Perhaps he could clarify with regard to the apparent stumbling-block in the Department of Manpower and Immigration. It seems to me that a school which is qualified or recognized for training nurses should automatically qualify.

Mr. Turner (Ottawa-Carleton): Obviously, the need has not arisen. But if the hon. member would look at page 61 of the bill and the amendment to section 110 of the Income Tax Act, specifically the definition of an educational institution on the third line of page 61, he would see that an educational institution in Canada is a university, a college or other educational institution. Then if he looks down to paragraph (B) he will see that it covers being certified by the Minister of Manpower and Immigration as an educational institution by which courses are conducted that provide or improve the qualifications of a person for employment or for the carrying on of a business or profession.

Since nursing is a profession, all that needs to be done is to have the particular institution qualify within these regulations. That is my advice to the hon. gentleman. The particular association of nurses or the hospital he has in

mind just need to apply; and if they meet those general criteria, I cannot see any problem.

Mr. Skoreyko: Mr. Chairman, would it not be much more simple if the minister spoke to the Minister of Manpower and Immigration and asked him to automatically certify all nursing schools which offer degrees in nursing—that would simplify the matter—rather than having each individual association appear before the manpower group. Would it not be much more simple to automatically recognize them if they offer degrees?

Mr. Turner (Ottawa-Carleton): I am not so sure of that. I think it would cause more problems than it would solve. We have general criteria which apply, for the purposes of the Canada Student Loans Act, to education, tuition fees and other aspects of education. There are the same general criteria for all programs. There has been a lot of experience with this program and it seems to have worked pretty well so far.

Mr. Skoreyko: You are giving this benefit carte blanche to every university, so why cannot you give it to nursing schools?

• (2030)

Mr. Turner (Ottawa-Carleton): Well, for any type of school, perhaps; but they must meet the standards of the act. I think we found in practice in the past that setting general criteria and having the facts established within them is the better way to deal with it. Every time we specifically add one institution, we thereby exclude every other institution. It is better to have a general set of criteria which apply equally to business schools, recycling schools, manpower training, and so on. I do not think the case will meet much difficulty in being met.

The Deputy Chairman: Order. Does this complete consideration of clause 35? I wish to bring to the attention of hon. members the fact that the Chair some time this afternoon had before it an amendment suggested by the hon. member for Skeena, who is not in the chamber at this time. It was more or less suspended—it was not put—in the hope that it would be reconsidered and could be moved later. I wonder what the situation is now. Shall clause 35 carry?

Mr. Turner (Ottawa-Carleton): In the absence of the hon. member for Skeena, I wonder whether the leader of his party or the House leader could deal with the matter on his behalf. I am prepared to meet the point of the hon. member for Skeena by introducing an amendment. I have not really yielded my point of order, but I am prepared to meet his point by moving an amendment which would read:

That clause 35 of Bill C-170 be amended by adding thereto, immediately after subclause (6) thereof, the following subclause:

I will circulate copies of this amendment in a minute.

"(6.1) Section 110 of the said act is further amended by adding thereto, immediately after subsection (1) thereof, the following subsection:

'Deemed payment of medical expenses

(1.1) Where, in circumstances in which a person engaged in the business of providing transportation services is not readily available, a taxpayer makes use of a vehicle for a purpose described in subparagraph (1)(c)(viii.1), the taxpayer or his legal representatives shall be deemed to have paid to a person engaged in the business of providing transportation services, in respect of the operation of the vehicle, such amount as is reasonable in the circumstances.'"

Translated into English, it means that if there is not commercial transportation available, and he takes his own car, he gets a reasonable mileage charge for it. I think this meets the point of the hon. member for Skeena in respect of air, water and land. I would be prepared to move that amendment. I do not know whether anyone is in a position to speak for the hon. member for Skeena, but I think it meets his point. Does anyone have the courage?

Mr. Knowles (Winnipeg North Centre): Does my hon. friend the minister know my hon. friend the member for Skeena? I think, Mr. Chairman, this amendment does meet the point. However, I wonder if we should deal with it in this way; that is, that we accept the moving of this as an amendment in substitution of the other one so that we do not have the argument on the point of order, but let the matter stand in case the hon. member for Skeena or the hon. member for Comox-Alberni can get here this evening. I am not asking that it be stood over until tomorrow. I am merely asking that it be stood for a little while.

Mr. Turner (Ottawa-Carleton): I am agreeable to this. If there is no objection by the hon. member for Skeena or the hon. member for Comox-Alberni to this proposed amendment, then the clause shall be deemed to have been carried; is that fair ball?

Mr. Knowles (Winnipeg North Centre): Yes.

Mr. Turner (Ottawa-Carleton): Then it is so moved by the Minister of State for Urban Affairs, seconded by the Minister of Consumer and Corporate Affairs.

Mr. Knowles (Winnipeg North Centre): I am assuming no one is raising the question of whether there need be an amendment to the ways and means resolution. Let us assume that has been taken care of. I rise really for the purpose of having the understanding clear that the amendment will be considered as having been carried, and if my friends do not wish to speak to it we will not return to it.

Mr. Turner (Ottawa-Carleton): By ten o'clock tonight.

Mr. Knowles (Winnipeg North Centre): If they wish to return to it, we will revert to the clause.

Mr. Turner (Ottawa-Carleton): I will not hang too tough on that.

The Deputy Chairman: The first point raised by the hon. member has been considered by the Chair. In looking at the amendment, it would seem to be more or less an amendment in respect of detail, and I do not think the Chair should reopen the debate. On the other point, shall the amendment be deemed to have been carried, subject to the reservation that has been made by the minister and by the hon. member for Winnipeg North Centre?

Some hon. Members: Agreed.

Amendment (Mr. Basford) agreed to.

The Deputy Chairman: Shall clause 35, as amended, be deemed to have been carried, on the same conditions?

Some hon. Members: Agreed.

Clause agreed to.

On clause 36—*Application of subsection 115(2).*

Mr. Lambert (Edmonton West): What is the effect of clause 36?

Mr. Turner (Ottawa-Carleton): I have been asked by the hon. member for Edmonton West to explain the effect of this clause.

Mr. Lambert (Edmonton West): Generally.

Mr. Turner (Ottawa-Carleton): Section 114 of the act deals with individuals who either become resident or cease to become resident in Canada during the course of the year. The addition of section 114.1, which was put in as a result of this clause, represents a technical change to ensure that a person resident in Canada during a part of a taxation year is not able to avoid tax on certain categories of income earned in Canada during that portion of the year in which he is not resident in Canada. It is a technical amendment.

The Deputy Chairman: Shall clause 36 carry?

Some hon. Members: Agreed.

Clause agreed to.

Clause 37 agreed to.

Mr. Lambert (Edmonton West): Mr. Chairman, if you would call clauses 38 to 48 inclusive, we are ready to agree to them.

Mr. Turner (Ottawa-Carleton): That is fine.

The Deputy Chairman: Is it agreed that clauses 38 to 48, inclusive, carry?

Some hon. Members: Agreed.

Clauses 38 to 48 inclusive agreed to.

On clause 49—*Beneficiary's receipts that are not deductible.*

Mr. Lambert (Edmonton West): I would like to have a little more explanation from the minister on this clause.

Mr. Turner (Ottawa-Carleton): On clause 49, we return to sub-clause 49(1). This is a technical amendment to section 144, subsection (3), paragraph (e) which exempts taxable dividends from an employee's income. Clauses 49(2) and 49(3) relate to distributions from employee's profit-sharing plans. This amendment provides tax relief where a beneficiary of an employee's profit-sharing plan receives proceeds from a plan which includes shares of other property that appreciated in value during the period it was held by the trust for the plan. The amendment also makes clear that any capital loss realized by the trust for the plan shall be taken into account in calculating the portion of the proceeds to be included in income.

• (2040)

Mr. Lambert (Edmonton West): Mr. Chairman, on this point may I ask the minister whether he has received many representations from the major employee groups in the country, for instance from Simpsons-Sears, who at the time of the white paper and Bill C-259 were in the vanguard of it and showed that, frankly, the proposals with regard to deferred profit-sharing plans under the white paper were confiscatory and totally wrong. They were going to completely "zap" any idea of the equity of any employee profit-sharing plan.

What has happened since that time? Have there been further representations, and have the representations been taken into account in these amendments? I must say that there has been a deafening silence from that side, as far as I can see, both in the press and in letters, so we must assume that the proposals contained in this bill meet at least the major portion of their objections.

Mr. Turner (Ottawa-Carleton): That is so. I issued a press release, which was circulated to hon. members some time ago, saying that I was going to do it; and this clause does it.

Clause agreed to.

Clause 50 agreed to.

On clause 51—*Amounts received taxable.*

Mr. Lambert (Edmonton West): This is one of the areas that seemed to give a lot of trouble. I wonder if the minister would explain to the Committee what he has done to meet the objections outstanding with regard to this particular point as it stood in Bill C-259.

Mr. Turner (Ottawa-Carleton): The amendments in clause 51 relate to section 147 of the Income Tax Act. The amendments provided in this clause will help taxpayers considerably. They will implement an undertaking given by me in a news release on September 21, 1972. This release promised that where a single payment is made from a deferred profit-sharing plan upon retirement from employment or the death of an employee, and that single payment includes shares or other securities, the taxation of any accrued capital gain attributable to the shares or other securities is included in the single payment and may be deferred until the beneficiary disposes of them.

Clause agreed to.

Clauses 52 and 53 agreed to.

On clause 54—*Farmers and fishermen.*

Mr. Lambert (Edmonton West): I think this clause requires an explanation. It brings in considerable changes affecting farmers and fishermen and their way of paying tax. Let us get that on the record.

Mr. Turner (Ottawa-Carleton): I know the hon. member knows a good many fishermen. This is an amendment to the provision in the act which allows farmers and fishermen to calculate their instalments of tax during the year on the basis of either an estimate of the tax for the current

year or by reference to experience in the previous year. They can elect. In the past, instalment payments which amounted to two-thirds of the estimated tax due on December 31 had to be calculated on the basis of the current tax liability or the previous year's taxable income.

The amendment permits the instalment to be calculated by reference to the taxpayer's instalment base for the previous year instead of by reference to the taxable income. It is provided that the instalment base shall be determined in the prescribed manner. A news release issued by me on July 19, 1972, indicated that the instalment base for an individual would be his tax for the preceding year.

Clause agreed to.

On clause 55—*Other individuals.*

Mr. Lambert (Edmonton West): May we have an explanation of this clause?

Mr. Turner (Ottawa-Carleton): I think I can respond to the hon. member's request. This is on the point we talked about earlier when I was referring to the question put to me by the hon. member for Malpeque. It is the clause which exempts any individual who might otherwise be liable for a quarterly tax payment from making such payments if the tax payable from the previous tax year did not exceed $400. It also applies for the current year if it does not exceed $400. Instead of persons, and especially pensioners, having to make quarterly instalment payments they are allowed to make one payment during the year. I think this is a release from a lot of bureaucratic entanglement.

Clause agreed to.

Clause 56 agreed to.

On clause 57—*Corporations.*

Mr. Lambert (Edmonton-West): I take it that the attempt here is to give a little more flexibility to corporations. It uses a wider period of 15 months. If one looks at section 157 and the requirements about the payment of tax by instalments, this may give them a little more flexibility. I hope that whenever the minister deals with tax and with corporations, whatever steps may be convenient for the Minister of National Revenue will not require an addition to the working capital that will be involved in the corporation, because all I can say is that if you have to borrow the money there is only one person who pays for that, and that is the consumer.

Goodness only knows that the poor old consumer is right on the business end of the rifle-barrel and he gets the blast every time it goes off. I do not care what government triggers off a levy or requirement that involves a greater cost in doing business, it is the consumer who is right there at the end of the muzzle and who gets the full blast. I hope this clause will introduce greater flexibility and will loosen some of the shackles that were imposed on business through Bill C-259. We will be amending this act as we go along, if only to make it more practical for the taxpayer himself rather than just to make it nice and tidy up here in Ottawa.

Mr. Turner (Ottawa-Carleton): This clause does what the hon. member hopes it does.

Clause agreed to.

Clauses 58 to 69 inclusive agreed to.

The Chairman: This completes part I, with the exception of clause 23 which was stood. I propose that we call it when we have completed all the remaining clauses. The committee will now consider clause 70, in Part II, which commences at page 110. Shall clause 70 carry?

• (2050)

Clause agreed to.

Clause 71 agreed to.

On clause 72—*Goodwill and other "nothings".*

Mr. Lambert (Edmonton West): Mr. Chairman, you will almost have a nightmare when you read the marginal note, because you will recall that you had to concern yourself, at the time of the study of Bill C-259, with "goodwill and other nothings". What is the general effect of the rather lengthy changes that have been introduced here both as to government rights and the original rights?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, clause 72 amends section 21 of the Income Tax Act amendments and rules to ensure that on the disposal of a government right or the renewal of original government rights acquired before 1972, the amount payable to the taxpayer for the purpose of section 14 of the act cannot exceed the amount by which the selling price exceeds the cost. Government right means right or licence acquired from a federal, provincial or municipal authority which enables the taxpayer to carry on that business activity to the extent to which he would otherwise be unable to carry it on.

I think the committee should know that of the amount payable to the taxpayer referred to in the clause, only one half is included as taxable income under section 14 of the act as "eligible amount". Such rights would include transportation rights or licences, taxi licences, truck licences, bus licences, air line licences, boat licences, or marketing regulations for agricultural produce, milk quotas, egg marketing, acreage allotment for tobacco growers and so on, timber cutting rights, radio and TV rights, including cable TV and satellites. The new treatment for government rights was introduced primarily because government protected rights tend to have more loss of value and non-deducted cost before 1972 and this should be recognized in computing the proceeds of sale.

I submit to the Chair that this amendment goes a long way toward satisfying the requirements of the agricultural community on the taxation of quotas and their evaluation.

The Chairman: Shall clause 72, at pages 112, 113 and 114, carry?

Clause agreed to.

Clauses 73 and 74 agreed to.

On clause 75.

Income Tax Act

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have an amendment deemed to be based on the ways and means motion. It will be found in *Votes and Proceedings* for Wednesday, April 11, 1973, at page iv. It reads as follows:

'*Inter vivos* transfer of farm land by a farmer to his child

That Bill C-170 be amended by striking out lines 34 to 37 on page 123 thereof and substituting the following:

(19) Where a taxpayer owned, on December 31, 1971, and thereafter without interruption until a transfer thereof by him to his child, in circumstances to which subsection 73(3) of the amended act applies, land referred to in that subsection, the following rules apply:

(*a*) paragraph 73(3)(c) of the amended act does not apply for the purpose of determining the cost to the child of the land, and

(*b*) subsection (5) shall apply in respect of the transfer of the land to the child as if the references therein to "June 18, 1971" were references to "December 31, 1971".

(20) For the purposes of subsections (18) and (19), "child" of a taxpayer includes a child of his child, and a child of his child's child.'

All this does, Mr. Chairman, is provide the transitional rules to accomplish what we accomplished in an earlier motion, namely, that the transition of the family farm from generation to generation can be accomplished not only by death but during the lifetime if the farm remains in use. These are transitional measures to bridge the original tax reform statutes and today.

Mr. Lambert (Edmonton West): The minister read "paragraph 73(3)(c)". The ways and means motion refers to "(d)".

The Chairman: Perhaps before the hon. member for Edmonton West makes his contribution, the Chair could put the amendment moved by the Minister of Finance.

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Chairman, the hon. member for Edmonton West is correct. It should read "(d)" rather than "(c)", according to the ways and means motion.

The Chairman: The Chair is grateful that the Minister of Finance and the hon. member for Edmonton West agree on what the amendment should be, but the Chair has not quite understood where the change is in the amendment that is found on page iv of No. 70 *Votes and Proceedings* for Wednesday, April 11. Perhaps this could be made clear to the Chair before the amendment is put to the committee.

Mr. Lambert (Edmonton West): Mr. Chairman, it was just that the verbal presentation made by the minister differed from the textual one in that he used the small letter "c" rather than the small letter "d". I know it is not a big point, but the record of *Votes and Proceedings* and the amendment that has been given to you should be correct. The minister was just reading the wrong letter.

Mr. Lewis: He can't read.

[The Chairman.]

The Chairman: Then I rather confidently put to the committee the amendment as found at page iv of *Votes and Proceedings* for Wednesday, April 11. Is the amendment moved by the Minister of Finance, and subject to the correction pointed out by the hon. member for Edmonton West, carried?

Some hon. Members: Agreed.

The Chairman: Shall the clause as amended carry?

Clause agreed to.

On clause 76—*Exploration and drilling rights; payments deductible.*

Mr. Lambert (Edmonton West): Mr. Chairman, could the minister inform the House the reason for the restrictive phrase "and before 1972" which has been inserted in subsection 29(14) of the rules? It appears in the bottom left-hand corner of page 123.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, this is a technical and relieving amendment to ensure that payments made after 1971 for rights to drill for or take oil and gas from Canada which rights were acquired before 1972, will be deemed to be Canadian exploration and development expenses. This is a technical amendment to ensure that the reference to subsection 29(14) of ITAR conforms to the amendment to that subsection. Under the change made, the expression "before April 10, 1972" will be inserted to replace the expression "after April 10, 1962".

• (2100)

The Chairman: Shall clause 76 carry?

Some hon. Members: Agreed.

Clause agreed to.

Clauses 77 to 91 inclusive agreed to.

The Chairman: That completes part II. We shall now consider part III. Shall clause 92 carry?

Some hon. Members: Agreed.

Clause 92 agreed to.

The Chairman: Earlier in the proceedings of the committee clause 23 was stood at the suggestion of the hon. member for Scarborough West. The committee will now consider clause 23.

On clause 23—*Navire ou aéronef appartenant à des non-résidents.*

Mr. Turner (Ottawa-Carleton): I can only say to the hon. gentleman opposite that I do not have enough factual details to be able to isolate the problem he referred to. We have had correspondence about it, and I said I could not cure this because under the general principle of disability pensions the pension is taxed because the premiums are deducted as they go into the pension. In other words, the deduction is taken off income as the pension is contributed to, and when the pension comes out or is paid it is taxed. The universal principle is, the money is deducted and paid in and taxed when it is taken out.

However, I give the undertaking to the hon. gentleman's colleagues that I will review the matter and there may be a future amendment. At the moment I do not have enough facts before me to warrant a departure from that general principle.

Mr. Nystrom: In the absence of the hon. member for Scarborough West may I say that I believe, on his behalf, that this is all right. I thank the minister for taking this matter into consideration.

Mr. Lambert (Edmonton West): Mr. Chairman, in Toronto during the past year two policemen were killed while on duty and their widows were awarded, shall we say, full salary pensions for a period. Will the minister advise us how it is proposed to deal with this matter? These payments are in part workmen's compensation pensions. Is it the intention to tax the balance in excess of that? I do not know that these are pensions. Here, the municipal authority has decided that a workmen's compensation pension, available under the workmen's compensation provisions, shall be made up to the level of the salary of the policemen who were killed on duty. That is a very proper thing to do since there are usually small children involved. How are we to handle this matter from the tax point of view?

Mr. Turner (Ottawa-Carleton): I suppose we shall have to see how the Minister of National Revenue will handle it, as this in part comes under the administration of the existing act. If, on challenge by a taxpayer, an interpretation is called for and if we find that there is some inequity, a policy decision will have to be made. At the moment I believe the hon. gentleman's question is premature because we are still not sure, until an interpretation is made, what tax characteristic should be given to that particular type of compensation.

The Chairman: Shall clause 23 carry?

Some hon. Members: Agreed.

Clause agreed to.

Title agreed to.

The Chairman: Shall the bill as amended carry?

Some hon. Members: Agreed.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time?

Mr. Lambert (Edmonton West): By leave, now.

Mr. Turner (Ottawa-Carleton) moved that the bill be read the third time and do pass.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I do not think the bill should be read the third time immediately. We have made good progress today and I do not think third reading should be expected as a matter of course. Certain things must be commented upon with regard to this bill. Also, certain matters of an income tax nature are outstanding, which must be considered now that the House has passed the bill in detail through the committee stage.

We have now dealt with the increased exemptions for people over age 65 and we have dealt with increased allowances for students. I have found it rather interesting in the last few days to note that somehow or other certain categories of taxpayers all of a sudden are in a great rush. Up to a week or ten days ago there was great silence, particularly from students, about the inability to obtain refunds. This matter was raised in the House. I raised it in a speech, as did the Leader of the Opposition (Mr. Stanfield). Then there was a statement by the Minister of National Revenue (Mr. Stanbury) about the number of files or returns that were banked, shall we say, and that authorization from the House was being awaited in order to pay out the refund cheques or process the files. Some, certainly, may be ready for pay-out; in others, the matter of assessment may be involved.

However, I thought it was not quite in keeping with the realities of the situation when the Minister of Finance (Mr. Turner) the other day stood up and solemnly requested from the House early, almost peremptory passage of the whole of this complicated bill. Here he was, expressing considerable sympathy for senior citizens who would need their refunds in order to meet the pressures of increased living costs. Oh, it was a grand scene. I do not know whether the minister watched the Oscar presentations and was trying to emulate them. Perhaps he felt a twinge of regret because he was not able to participate and show how good an actor he can be at times.

• (2110)

Mr. Turner (Ottawa-Carleton): I would have sent my Indian princess.

Mr. Lambert (Edmonton West): I hope that with the passage of this bill, I trust tonight, the other place will be able to attend to it with appropriate consideration. Although the minister stated the other day he felt he had substantially complied with the undertakings given to the Senate by the former minister of finance at the time of the indecently hasty passage of Bill C-259 by the other place, I am now told by my connections and those working there that they do not quite feel that way toward the bill. They feel there are some major gaps. It may be these are in the remaining provisions which we will see at some time.

I do not know what the minister intends to do with regard to the corporate tax cuts to manufacturing and processing industries. Incidentally, I want to reiterate something which has escaped the attention of almost all members of this House. All corporations, from the two-man trucking outfit with "Ltd." or "Inc." behind its name to the major corporations in this country engaged in manufacturing and processing, will be faced with a tax increase of up to 7 per cent as of January 1, 1973. This exists on a parallel scale with the potential increase in taxation for individuals because last year the minister said it was impossible to do anything with regard to tax cuts for individuals. He said it would lead the country into bankruptcy. This was totally wrong. Of course, Saul was converted on the road to Damascus.

The government got around the tax cut for the individual, but it has not done anything with regard to the restoration of the 7 per cent tax cut given by Mr. Benson on October 15, 1971, and which was applicable for the last

half of 1971 and all of 1972. The grocer, farm equipment distributor, automobile garage, paint contractor, plumber and all others who are incorporated will have a tax increase for 1973 of up to 7 per cent. It is true there is a cutback under the statute from 50 per cent to 49 per cent, and from 25 per cent to 24 per cent, but the restoration of the 7 per cent and the combination works out to about 5.8 per cent. It is strange that no one has mentioned this. The press has said very little about it; the financial writers said very little about it until ten days ago.

I want to reiterate that what is left for the House to consider in so far as individuals are concerned are the goodies of the 1973 budget. There are also leftovers of the corporate tax reduction provisions and incentives of 1972, and there may be some administrative changes. We will have to wait and see. If this tax bill is put through tonight, I invite the minister to let us see the ways and means motion for implementation of the balance of the budgetary provisions. This includes not only income tax but the Customs tariff. There have been some unilateral cuts in the Customs tariff. Attention was directed to these at the time of the budget debate. While the Customs tariff bill proposed by the minister will go through fairly expeditiously, he had better reconcile himself to the fact that the next one will get a great deal more scrutiny and will receive a great deal more criticism.

Some industries have had their guts ripped by the minister's proposals. This is something we should be worried about. I do not know what motivated the government to make these proposals on a unilateral basis when we were just starting on the next round of multilateral trade negotiations. I do not know what kind of gesture it was for Canada to just toss away a great number of its negotiating points. The minister shakes his head. Let him talk to the people in the industries affected. He will get a different reaction.

Some of my colleagues want to speak about the changes that have been made with regard to capital gains as they apply to the family farm owned by the individual taxpayer. The minister confirmed this afternoon that the amendment that was brought in in addition to the provisions to exempt farmlands of a deemed realization on death, if passage was to a child or a descendant of a child there could be an *inter vivos* sale to a member of the family within that limitation. However, there has been no provision for a roll-over by the taxpayer in selling an orchard property and buying a corn growing property or something suited to a change in his farming practice. Whether the farm is owned by an individual or not has not been included in the legislation. This will prove to be quite a disappointment to the whole of the farming community in Canada.

My colleagues will be making more eloquent pleas with regard to the corporate family farm. I will leave the details to them. The minister has made other changes with regard to the smoother working of Bill C-259, or the Income Tax Act of 1971 and the application rules, particularly clause 78 where he has given a further two years' grace in the foreign, affiliated property inclusion, the FAPI rules, because a great many Canadian corporations will face tremendous administrative problems or potential problems this year. Personally, I hope the minister will scrap the whole idea that gave rise to FAPI.

[Mr. Lambert (Edmonton West).]

• (2120)

A Canadian company might have a holding of 2 per cent or 5 per cent in a foreign company, yet the Canadian government was insisting that this so-called foreign affiliate file financial returns in Canada. I wonder at the effrontery of Canadian tax authorities in trying to impose that regulation. If such legislation existed in the United Kingdom or in the United States we would be screaming that a foreign government was trying to make Canadian companies comply with the law in the United States or Britain, even though all we held was an ownership of shares or a joint ownership of interest in a third company.

All I can suggest to the Minister of Finance (Mr. Turner) and to his colleague the Minister of National Revenue (Mr. Stanbury) is that some of these foreign companies will not-so-politely thumb their noses, and there is nothing the Canadian government can do about it. I think it is a can of worms of the worst kind.

Mr. Paproski: How does that grab you, John?

Mr. Lambert (Edmonton West): I would hope that since the minister has already taken 18 months to come up with the idea that he cannot work out the rules, he will decide to scrap the whole blessed thing, because to me it is totally wrong. I hope I have said enough with regard to this matter and, hopefully, we can get the bill through third reading tonight.

Mr. Lorne Nystrom (Yorkton-Melville): We have had a thorough discussion of this bill, Mr. Speaker, so I intend to take only two or three minutes. We are supporting the bill, as I said earlier, because it deals with individuals, giving individual people a tax break and more exemptions in terms of medical expenses, student allowances, and so on. I should like to thank the minister publicly for amending the bill in the two places he did, concerning capital gains for farmers and the amendment by the hon. member for Skeena (Mr. Howard). I think this is proof positive that parliament is starting to work and that we can make parliament work if we all get down to it as MPs and make up our minds to do something that is good and beneficial for individual Canadians.

The elimination of capital gains tax on farms will go a long way to preserving family farms not just in western Canada but right across the country. I think the minister should be complimented on accepting a very good NDP idea which has been promoted for years—

Some hon. Members: Oh, oh!

Mr. Basford: Put your rubber boots on.

Mr. Nystrom: —in this House by, among others, the hon. member for Saskatoon-Biggar (Mr. Gleave). Hon. members will also recall the amendment moved in this House last year by the then hon. member for Regina East, Mr. John Burton.

An hon. Member: What happened to him?

Mr. Nystrom: What happened to him? After the Gallup poll, I am sure he will be back, with the Conservative party taking a thumping as they did in the last Gallup poll. I should like to assure hon. members on my right that he will be back and that many other New Democrats will be back from the Prairies, British Columbia and Ontario.

With that, I would like to say we support the bill. It deals with individuals. It is interesting to look at the last seven or eight budgets of the government. The first seven gave all kinds of tax exemptions and benefits to corporations. If we add them all up, we find that the first seven budgets reduced taxes to corporations by half a billion dollars and that taxes to individuals went up by $1.5 billion. In the last budget the government ignored corporations and concentrated instead on doing things for the average citizen. This is another example of making parliament work, setting an example that our party likes. I can assure the minister that if he wants to bring in more tax reform measures to block some of the loopholes for the wealthy, tax reforms to tax the resource industries more heavily, he can count on our party to help him make parliament work and pass that legislation as well, because I believe these are things that must be done in order to help the average Canadian citizen, in order to get this country really moving again.

The Conservatives would like hand-outs for the big boys, but this does not really get the economy rolling. If we want to get moving and increase employment, we must help the average citizen, the average worker, farmer and small businessman. That is the way to get this country on its feet and that is the way to create jobs. If the minister is interested in doing that, we will help him make parliament work and change this country in a really profound and significant way.

Mr. Basford: That is the Liberal way.

Mr. Paproski: Who needs Burton when you've got Nystrom?

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I could not let this opportunity pass without mentioning a few things. The main change has been in the family farm tax situation and the roll-over during the lifetime of parent and son. But nothing has been settled about the partnership family farm and nothing has been settled about the corporate family farm. Capitalization of these farms is becoming fairly large, at $100,000 even for smaller ones. Their owners are looking at the limited liability clause that covers corporations. These farms account for a significant part of our agricultural basic production.

We are now becoming interested again in food production. At long last the food glut seems to be ending and we are looking for ways and means of increasing the food supply. The rural population has dropped to a point at which it is probably getting impossible to continue to produce food in a great amounts as in the past, and unless the corporate family farm is dealt with, it will suffer the same liability that occurred prior to the repentance of the government in so far as the family farm was concerned. I think this is especially important because these farms tend to be the most productive in agriculture.

There may be one more important item, one which has been brought to my attention by many farmers who have large amounts of capital invested in their farm machines. This is the loss of straight line depreciation, so-called, which was used by the farmers to keep their machinery at a high level of efficiency. It probably has contributed to the fact that food prices remain low, because productivity was extremely high.

Mechanization on the farm carries through into the service end and straight through into farm machinery manufacturing. This is extremely important, because whereas the capital gains tax will occur only occasionally, fortunately, in a family where there is a death or where there is a passing on from one generation to the next by selling, this straight line depreciation occurs every year, and it is the means by which much of the agricultural industry is able to keep at a high level of efficiency. The loss of this straight line depreciation has been severely felt by all.

Now I should like to comment on the capital gains tax as applied to small businesses as well as farms. It is too bad the government cannot see fit to make a start in looking at this area. I mention this in particular because it is an extremely onerous burden on taxpayers in a province to face both an estate tax and a capital gains tax. I have come to the conclusion that one can live with a capital gains tax or with an estate tax, but it is pretty difficult to live with both and still have a viable small business. I do not think it bothers large corporations, but it is a very serious thing for small business. We have suddenly discovered in this House, and so has even the NDP, that small business is important. Under the foreign takeover bill we are studying ways and means to permit Canadians to own more of their own country, and in this area we often start with the very large corporations. If Canadians are to own their own country, one place where we can make a significant effort is at the small business and small corporation level.

• (2130)

I suggest it is most important that the federal government and the provinces work together on this and cooperate to make sure that an estate tax and capital gains tax together do not bring about the dissolution of small businesses that have to be sold out piece by piece to pay those taxes.

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I shall take only a few moments of the time of the House to register some reservations regarding the measure before us. First of all, I should like to talk for a moment about the 1972 tax return. Much money has been spent on advertising this so-called very simple form which Fred Davis says is easier than you think, but strangely enough never in the history of Canada during the last 100 years have so many people been so frustrated over a new tax policy. Never have so many people had to seek professional help in order to figure out the complex, eight-page document that is presently in the hands of every taxpayer in Canada.

I am reminded of the opposition to the medicare bill which was before the House some years ago. The doctors opposed it vehemently, saying that it was one of the things that would ruin this country. Yet in fact that very legislation guaranteed the medical profession of this country a salary beyond anything they had ever experienced before,

for the rest of their lives. This tax measure has done the same thing for the accounting profession; this can be verified simply by talking to accountants. As a result of this bill and others that we have dealt with, the government have guaranteed the accounting profession of this country a pension payable every April 30 from now on.

I am a little concerned about what one of the previous speakers said. He said he was very happy that the problem of capital gains tax on farms had been resolved. I do not think it has been fully resolved at all. This afternoon in the House the minister got to his feet and clearly indicated that so far as the family farm was concerned, he had made concessions to the one-owner farms. However, he did not deal clearly enough with the position of corporate or partnership farms.

I think the hon. member for Lisgar (Mr. Murta) expressed his concern about the need for clarification in regard to what would happen in a situation where a father and son or three brothers in a partnership owned a farm and one of them died. That situation has not been clarified. Neither do I understand the statement made by an NDP member a moment ago to the effect that that party was delighted at the clarification of the minister. As I say, I do not think the position has been clarified at all, and it needs to be clarified later.

The position of the family farm vis-à-vis capital gains is also not clear to me or to a number of farmers across the country. Neither is it clear in the minds of revenue officials. It is alarming to find so many people telephoning the revenue department in their respective areas and finding officials, who are supposed to be knowledgeable in the law, uptight, close-mouthed, refusing to give information. The only information people can get from the revenue offices is that they must wait a while because there will be a ruling coming from Ottawa.

One other matter that needs clarification was raised in the House previously and has been the subject of much discussion. I refer to the sale of milk quotas in the dairy industry. If a milk quota is sold, is it regarded as goodwill as in the case of a conventional business? I think the minister should be responsible to see that regulations governing the sale of quotas are spelled out clearly.

As a result of the new tax measures, property such as farms, cottages and rental property which is owned by taxpayers is now being arbitrarily assessed for purposes of capital gain at some time in the future. Does the minister not feel that the assessments obtained by the revenue officials should become the property of the taxpayer himself? I understand that when revenue officials assess a piece of property, whether it be a farm, cottage or rental property, attempts are made to secure information for the file of the taxpayer so as to determine the amount of the assessment. It is my understanding that this assessment is then fed into a computer and eventually will be used against the taxpayer. I do not think we need to use this kind of, if you like, gestapo tactic in Canada in order to obtain information on taxpayers which is fed into computers and used ultimately against the taxpayer.

The government today has made inroads into the office of every business in this country. It is a shame the government is not satisfied with the taxes that are paid by business enterprises and leave it at that. I owned a small business a few years ago and required, on average, about one and a half people in the office just to look after the demands of government, such as figuring out deductions for medicare, unemployment insurance and everything else. It is time the government relieved some of the pressure it is putting on the business community of Canada.

[Mr. Skoreyko.]

Although I am quite prepared to go along with the concessions the minister has made up to this point, I hope that by the time the next budget rolls around he will have seriously considered the criticism which members of the opposition, particularly those of the Conservative party, have made and that he will come up with some new proposals in 1973.

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

* * *

• (2140)

EXCISE TAX ACT

Hon. John N. Turner (Minister of Finance) moved that Bill C-171, to amend the Excise Tax Act, be read the second time and referred to committee of the whole.

He said: Mr. Speaker, this bill will implement the ways and means motion relating to excise taxes which I tabled on March 29 of this year. It is the same as Bill C-223 which was introduced following the budget speech on May 8, 1972, which received first reading on June 26, 1972, but was not passed before parliament dissolved in September of 1972. This bill does not contain any amendments to implement the proposals in the budget speech of 1973; it relates exclusively to excise tax amendments for 1972 and following. The bill does not contain any general rate changes or new exemptions that could be classed as major in terms of the effect on revenue. Nevertheless, the changes will be important to those who are directly affected.

Most people would probably regard the three most important amendments in the bill to be these: the exemption from sales tax of eyeglasses and contact lenses; the change from a 6 per cent rate of sales tax to a complete exemption from sales tax of goods produced by the labour of individuals who are blind or who are deaf and dumb and the extension of this exemption to goods produced by mentally retarded persons; and the exemption from sales tax of machinery and apparatus acquired by manufacturers or producers for use by them in the development of manufacturing or production processes or the development of new goods to be manufactured by them. Other exemptions from sales tax provided by the bill include crates for transporting poultry, certain items used in the fisheries, and chemicals purchased by municipalities for use in sewage treatment plants.

The bill does not impose any additional tax burdens. The total effect on revenue of the changes provided by the bill for a full year is estimated to be about $5 million.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, as a result of some discussion I think it is agreed, having completed the income tax bill and since we have now had the opening statement of the minister on this short bill,

that I call it ten o'clock for the purposes of the formal business of the House. We would then proceed, hopefully, to the adjournment debate.

Mr. Deputy Speaker: The House has heard the suggestion of the hon. member for Edmonton West (Mr. Lambert). Perhaps I should draw to the attention of hon. members that members whose contributions are awaited in the adjournment debate are the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), the hon. member for Scarborough West (Mr. Harney), and the hon. member for Gander-Twillingate (Mr. Lundrigan)—although not necessarily in that order. As we still have a few minutes before ten o'clock, if it is agreed that we call it ten o'clock now we will proceed with the adjournment debate. Is this agreed?

Some hon. Members: Agreed.

Mr. McKinley: Mr. Speaker, I rise on a point of order. When these discussions took place a moment ago, I immediately called the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). He is not here as yet, but he is on his way. I see that the hon. member for Scarborough West (Mr. Harney) is here, so perhaps the order of appearance in the adjournment debate could be changed.

Mr. Deputy Speaker: It not only may be changed; it will be changed.

Mr. Lefebvre: Mr. Speaker, I rise on a point of order. Some hon. members on the government side who were supposed to answer these questions may still be at committee meetings, in view of the fact committees are still sitting. I should like to have time to contact them in order that they may be in the House.

Mr. Deputy Speaker: Perhaps we could agree to hear the hon. member for Scarborough West first. Who was to reply to that hon. member at this time?

Mr. Lefebvre: Mr. Speaker, the Minister of the Environment (Mr. Davis) is here and he will be replying to questions No. 1 and No. 3. Perhaps we might start with those two.

PROCEEDINGS ON ADJOURNMENT MOTION

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

FISHERIES—STORM DAMAGE IN NEWFOUNDLAND LAST NOVEMBER—INQUIRY AS TO REPORT AND COMPENSATION TO FISHERMEN

Mr. Deputy Speaker: I think we will ask the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) to make his contribution now, if he has caught his breath after running over here, since he and the Minister of the Environment (Mr. Davis) are both present.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I did not realize that everybody was so efficient. It is so long since I requested the debate at this time on a question I asked in the House of the Minister of the Environment (Mr. Davis), seeking a more substantial reply, that the answer is now probably obsolete.

The question I asked on November 19 in relation to storm damage in Newfoundland last fall has been answered, not only by the minister before the committee but in the House after follow-up questions and by departmental officials in the committee. I must say those answers were not much help in any event. My question related to the involvement of the federal government in respect of storm damage, which occurred last fall in western Newfoundland, to fishing gear, stores, longliners and other fishing vessels, some of which were completely destroyed. In answer to my question in the House, to my surprise the minister indicated that so far as the federal government was concerned, his responsibility only arose when vessel insurance was concerned and it was left to the provinces to compensate for losses to fishermen, regardless of the extent.

Even though we have to accept the cold fish attitude of the minister, which is becoming his trademark as well as that of other officials, fishermen were led to believe that compensation would be considered, on a co-operative basis, by the two levels of government. I suppose we must accept the decision of the federal government that unless the damage was on the basis of a national emergency, the federal government has no responsibility.

I refer to the matter again tonight as there is still an area of concern in which the minister can help, and that is in relation to fishermen who did not have vessel insurance because they could not afford it. I refer to fishermen whose longliners were damaged by the storm last fall and still remain unrepaired.

As the fishing season approaches, we find there are no funds available to assist these fishermen in putting their boats back into the water. In addition to this, there is a perennial problem which the fishermen face. They are willing to compete with foreign draggers, but cannot find the means to purchase these vessels because of the restrictions under the Canadian Fisherman's Loan Act and under the Newfoundland fisheries loan board because of the down payment required. Under the loan board, a fisherman or a group of fishermen who want to invest in a longliner, the cost of which runs to $50,000 or more, cannot find the required 10 per cent down payment even though they have the initiative and the knowledge to compete with others and are allowed to compete without restriction.

• (2150)

The government should act out of humane consideration for and faith in Newfoundland fishermen and provide for a review of the restrictions imposed on these fishermen. The government should provide incentives and the opportunity for these fishermen to provide not only for themselves but for neighbouring fishermen. I ask the minister to consider this aspect of the industry. I am not one who criticizes unnecessarily, but I submit this idea which I know the minister will consider, in view of his

interest, of providing funds necessary to all Newfoundland fishermen to contribute to the Canadian economy, not only to the benefit of Canada but to their own livelihood. I ask that consideration be given to this matter and that the minister provide answers to my submission.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the hon. member is referring to the loss of fishing gear in Newfoundland. He refers to the fact, also, that the federal government has refused, so far at least, to compensate fishermen for loss of gear. He refers to me personally as being a cold fish minister. The people of Canada, through the government of Canada, have set up and administered the only insurance program which exists to cover losses of fishermen. There is no such program at the provincial level. The program which does exist relates to commercial fishing vessels and all gear fixed to those vessels. It is a form of insurance available at very low rates. It has been extended at exceptionally low rates to insure fishermen especially in the province of Newfoundland.

There was also an attempt two years ago to include as insurable gear miscellaneous gear, but the fishermen did not see fit to pay the very modest premiums charged for this. Indeed, very few of them signed in the initial stages. That program, therefore, was abandoned because there was no, or little income available to it. It could not work as an insurance plan. It is still a challenge. It is an opportunity for the province because it relates to small gear for small people in outlying places. This is the kind of program which a province could well administer.

I do not know what the Department of Fisheries really does at the provincial level. If it cannot handle this kind of thing, I do not understand how it can handle any larger program. We have joined with the province in many surveys, including surveys of gear damage. The province knows what the damage is. It has also known for a long time that this relatively small program is a logical one for the province to carry out, and it has failed to do its job in this connection.

INDUSTRY—CLOSING OF RADIO PRODUCTION AT DON MILLS PLANT OF PHILCO-FORD—GOVERNMENT ACTION

Mr. John Harney (Scarborough West): Mr. Speaker, I managed to get two words across a while ago. They were simply "I wonder". I was beginning to wonder then whether there would be somebody here from the Department of Industry, Trade and Commerce. I am glad to see that the parliamentary secretary is here.

My question tonight is an extension of the question I asked last Friday morning at a time when the Minister of Industry, Trade and Commerce (Mr. Gillespie) was not in the House. It had to do with the partial shut-down of a plant in Don Mills, Ontario, owned by Philco-Ford of Canada. It appears that the plant intends to shut down one part of its operation concerned with the production of car radios for sale and resale to the Ford Motor Company of Canada. It turns out, from all the evidence, that this is indeed a very efficient part of this plant, so it could not be for reasons of efficiency that they are closing it down or for reasons of labour costs. We know the average wage rate in that section of the plant is some $2.90 an hour and

that, I assure you, Mr. Speaker, in the Toronto region is no fortune.

However, some excuse is made for shutting down this part of the plant and throwing out about 100 employees on the ground that they are simply assembly-line workers, not many of whom are skilled and, as it says in the article, most of whom are women. I do not particularly like that aspect, but there you have it. I suppose women, in the world of industry, are more expendable.

The reasons for shutting down that part of the plant, as given by the managers and owners of the plant, are for the sake of economy. According to the trade union representatives of the workers in that plant, the total labour cost for the car radios produced in the plant, per radio, is $3. The total cost of labour and materials is $13. The radios themselves sell for $90. It is evident that $3 is a very small part of $90. It appears that the plant operates very well and very economically. But Philco-Ford is going to move this operation to a larger operation it is setting up in Brazil. They intend to produce, apparently, all their radios for all their world sales in Brazil.

So there we have it, a multinational corporation, for reasons of its own—its views on rationalization and economy—deciding to wipe out the jobs of about 100 Canadian workers. Surely this decision was not made with the interest of these workers in mind, and certainly not with the interest of the Canadian economy in mind.

My question to the Minister of Industry, Trade and Commerce at the time was simply whether anything could be done under the terms of the auto pact to intervene in this matter and somehow persuade this company not to "rationalize" its operations—I put the word "rationalize" in quotation marks—to the detriment of the workers of Don Mills and to the detriment of Canada. The components for these radios made at Don Mills come from Taiwan. They are not made in Canada. They are brought in duty-free under some aspect of the auto pact.

What we could ask, further, is whether the car radios which will be made in Brazil will be brought in duty-free. We might ask, even further, just how many components for cars to be produced in Canada will be brought in from outside the country duty-free. I have asked these questions in the hope that the minister can say there is something that can be done under the auto pact to prevent this kind of thing. However, I must say I am in despair of getting that kind of answer. I am too sure, unfortunately, that the minister, with regard to this particular pact, is impotent. I do not really think he can do anything.

I wish that in answer to my question he would say it would be possible for him to intervene to preserve these jobs for the Canadian workers. At any rate, I wait with some expectation and perhaps some faint hope that if I cannot get that kind of answer, we can get from this government some day in the future some backbone, some mettle and some spirit to protect the jobs of Canadians.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member was reasonable in his question when he asked whether there was something the minister could do under the auto pact. Unfortunately, as the hon. member knows, under the auto pact the auto companies are required,

under contract, to keep a fair level of production in Canada in respect of the production of vehicles in ratio to the markets in Canada and the Canadian contracts with CDA. When the companies have complied with that provision, there is no legal authority under which the government could oblige Philco-Ford or the Ford Company of Canada to do anything in respect of its components. We sympathize, of course, with the social dislocation which some people might feel but, unfortunately, in our type of economy, unless there is a legal requirement there is nothing we can do.

• (2200)

I would like to say also that Philco-Ford of Canada is also engaged in the manufacture of stereo and television sets at the Don Mills plant. The company has enjoyed substantial market success over the last five years and the average level of hourly employees at the plant increased from 330 in 1967 to 580 in 1972.

The transfer of car radio production to Brazil will affect 122 workers. The company will retain 47 of these workers in the production of other products at the Don Mills plant, and it is expected that the balance of 75 workers could be laid off in July, 1973. However, the company is hopeful that the market demand for its stereo and television products will enable it to retain a number of the employees scheduled for lay-off in July. So we hope that the markets in the other products will justify keeping the other employees.

I would like to say that it is very unfortunate that multinational corporations do this, but we must admit that in other circumstances we have benefited from such shifts in production. For example, there has been a lot of criticism in the United States that under the auto pact, production has been shifted by these corporations from the United States to Canada. So while sometimes, in this world of international economics we have to give and take, this is one of the "gives", but sometimes we have the "takes".

I am sorry that this has to happen, but the company cites lower production costs as the reason for the transfer. That is the reason the company gave to the department. Also, they have transferred production from the United States. It seems they want to develop some kind of captive production in what is probably the only plant of its kind in the world; so they shifted that type of production from other countries also. We know they shifted it from the United States to Brazil. We are sorry this has happened and we hope the employees will be able to stay on.

UNEMPLOYMENT INSURANCE—EXPIRATION OF FISHERIES BENEFITS—POSSIBLE EQUATING OF BENEFIT PERIOD WITH QUALIFYING PERIOD—REQUEST FOR STATEMENT

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, is it in order for me to ask my question, since I do not see the Minister of Manpower and Immigration (Mr. Andras) here to answer it?

An hon. Member: The parliamentary secretary is here.

The Acting Speaker (Mr. Boulanger): I do not think that question should be asked. The hon. member should say what he has to say. Somebody else is responsible for the answer. The hon. member has seven minutes in which to put his question.

Mr. Lundrigan: I am somewhat discouraged that the Minister of Manpower and Immigration is not here to answer the question, which is a very legitimate one. I understand the Minister of the Environment (Mr. Davis)—

Mr. MacGuigan: I rise on a point of order, Mr. Speaker—

The Acting Speaker (Mr. Boulanger): There can be no point of order at this time. That is why I pointed out that the hon. member should not start his question in that way, because then the parliamentary secretary would wish to rise on a point of order. We cannot allow points of order at this time. The hon. member for Gander-Twillingate (Mr. Lundrigan) has the floor.

Mr. Lundrigan: Thank you, Mr. Speaker. I am disappointed that the Minister of Manpower and Immigration is not here to answer my question. He is the minister in charge of the department which now has jurisdiction over unemployment insurance for everybody in Canada, I presume. I want to raise a question which is a very difficult one to raise during the regular question period, because it is a somewhat complicated matter and I think most members of the House, and indeed the general public, are not aware of the issue.

If I were to put the issue in the form of a general question, it would be to ask the government and the Minister of the Environment or his representative today, who obviously wants to go to bat for him, what the government has against the fishermen of this country. I will say right now that if I ever become a member of a governing party which will not be able to do more for the fishermen of Canada than the present government, I will not support that government. I make that commitment to the fishermen of this country. I will not support a government that allows discrimination, the worst form of discrimination that I have witnessed in the last number of years, and I will not be satisfied with the minister reading 1,500 words of a prepared text.

I want a legitimate answer and I promise I will pursue this matter as long as I am a Member of Parliament until it is duly rectified by this government or a succeeding government. We have a system of unemployment insurance for fishermen which is at least 100 years old in concept. This year, for example, in our province there will be about $70 million and last year $73 million went into the province in the form of unemployment insurance as a whole. That was the total cost to the federal treasury, minus whatever was paid by the contributors.

In order to rectify the injustice now being perpetrated on the fishermen, it might cost the government another $1 million or $1,200,000 or a little bit more. For two years the minister has indicated before the committee and before the House that they are working on a plan for the fishermen. There are three ways to present a full-blown plan that would improve the lot of the fishermen. At the moment a man working in any capacity in Canada, in the

automotive factories or as a carpenter or labourer, who has eight weeks' stamps and is in a very high unemployment area like the Maritimes, can receive approximately one year of benefits. In other words, he can work for two months and get approximately one year's benefits. Some people argue that this is excessive. A fishermen with eight weeks' stamps, the man who catches the fish to keep the fish plants going, gets 6½ weeks' benefits; in other words, only five-sixths of the number of stamps. A labourer or carpenter or anyone else gets six times as many benefits as he has stamps. If you add that up, the stamp that any regular worker receives is approximately seven times as good as the stamp the fisherman receives.

The minister will say that the fisherman is an independent worker and does not deserve any benefits at all. Coupled with the foregoing, however, he is not able to draw benefit until the middle of December and it continues, if he has enough stamps—he must have approximately 30 weeks' credit in order to draw for the full off-season—until the middle of May. Unless he is among the top 10 per cent of fishermen in Canada, he is forced to go on welfare from approximately March until the fishing season starts in earnest, which is approximately June.

On top of that, the fisherman has to average the last 20 weeks' benefits in order to come up with the rate of return that he would get from his stamps if he is really industrious and wants to work through October and November. Instead of being credited for the determination to continue, he gets a lower stamp because his average is down. If he quits at the beginning of September having had eight or ten weeks of very good fishing, he is all right; but if he continues into the stormy fall of the year he is penalized.

These are three or four ways in which the government could amend the present program for the fishermen in order to give them some justice. The government has concluded that the fishermen in Canada are not a very potent force. It is not compatible with the government's political aspirations in the larger urban centres to treat these people with any respect, and consequently they are being trampled upon. That is the reason the government is refusing to move. The minister is aware of the injustice, because I have already moved a motion and have talked to him in committee, and also to the Minister of Manpower and Immigration. But they will not budge.

I am going to carry this cause even across the Canadian nation until the people of Canada see that the fishermen are not being given a square deal. I want the minister to give us some assurance that at least the government will move toward making the fisherman's stamp at least partly equal to the stamp given to the regular Canadian worker. I ask that the fisherman be given as many benefit weeks as the number of stamps he has. For most, that would mean four or five weeks' benefits to tide them over until the fishing season starts. I submit that would cost the treasury almost nothing and would give our fishermen at least part of a square deal—a square deal that they are not now getting.

• (2210)

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the hon. member for Gander-Twillingate (Mr. Lundrigan) made several criticisms of our present unemployment insurance scheme as it applies to the fisheries in Canada. One, at least, I think is valid, the requirement that under present law the fisherman can only record his last 20 weeks of fishing in order to determine his benefits. A fisherman, naturally, would want to record for benefit purposes his best weeks and, therefore, under the present system he is tempted to stop fishing when his catch begins to taper off. Under the new amendments proposed and tabled, actually they have received first reading in the House, that problem will be overcome. So I would urge the hon. member to support the legislation in order to overcome the 20-week problem which he mentioned.

The main purport of the hon. member's remarks was that the fisherman is being discriminated against. The fisherman has a difficult time of it, but he is the only category of self-employed person in Canada who is receiving the benefit of unemployment insurance. For example, farmers do not. Farmers, unlike self-employed fishermen, are not eligible for unemployment insurance.

The hon. member concluded that most factory workers can work for eight or ten weeks, or some short period, and enjoy as much as one year of benefits. That, indeed, would be an exceptional case; perhaps 1 or 2 per cent of all factory workers are ever in the position of working as little as eight weeks and then drawing one year of benefits. On the other hand, fishermen every year draw a benefit. Many of the better fishermen draw benefits every year from December 1 to March 15 as a regular practice. As a broad generalization, fishermen pay about $1 into the scheme and get $10 out. They pay, in total in this country, about $2 in each year and get $20 million out. So the fisherman gets a pretty good deal under unemployment insurance.

I am not saying that the unemployment insurance scheme is tailored to his particular circumstances. It is not. It is a scheme which was developed basically for factory workers. We need a better scheme that is tailored to the needs of fishermen. However, the present scheme is much enriched over the one of a couple of years ago. I remind the hon. member that it was the Liberal government that brought in the scheme. The Conservatives were in power for nearly half a dozen years and did nothing about it. It has been enriched several times since. We will, in one year or two when the present unemployment insurance scheme shakes down and when it is working well, develop an alternative scheme that will apply to fishermen. We will develop a scheme that the fishermen will like better. I hope the hon. member will support us in that scheme.

Mr. Lundrigan: The minister is against fishermen.

Motion agreed to and the House adjourned at 10.15 p.m.

HOUSE OF COMMONS

Friday, April 13, 1973

The House met at 11 a.m.

BUSINESS OF THE HOUSE

TABLING OF SECOND REPORT OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the second report of the Clerk of Petitions.

[*Translation*]

ROUTINE PROCEEDINGS

FINANCE, TRADE AND ECONOMIC AFFAIRS

First report of Standing Committee on Finance, Trade and Economic Affairs in the two official languages—Mr. Trudel.

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

* * *

COMMUNICATIONS

TABLING OF GREEN BOOK RESPECTING GOVERNMENT POSITION ON COMPUTER COMMUNICATIONS POLICY

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, under Standing Order 41(2), I should like to table, in both official languages, the Green paper entitled "Computer/Communications policy; a position statement by the Government of Canada".

* * *

[*English*]

EXTERNAL AFFAIRS

PLANNED NUCLEAR TESTS BY FRANCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, under the provisions of Standing Order 43 I wish to move a motion of urgent and pressing necessity. If the House is disposed to deal with this motion, I feel it could be passed without debate. In view of the fact that Australia is sending its attorney general and New Zealand is sending its deputy prime minister to France and are contemplating international court action to persuade France not to proceed with its planned Pacific nuclear tests, I move, seconded by the hon. member for Kootenay West (Mr. Harding):

That this House calls on the government to launch an immediate protest against these planned atmospheric nuclear tests preferably by sending a high-ranking government representative to the capital of France and also to the People's Republic of China to protest that country's forthcoming tests as well.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

[*Translation*]

OFFICIAL LANGUAGES

SUGGESTED SUBSTITUTION OF PRIME MINISTER'S NOTICE OF MOTION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, under Standing Order 43, I request the unanimous consent of the House in order to move a motion concerning a matter of urgent and pressing necessity.

In view of the fact that the Prime Minister's notice of motion concerning the official languages, is unacceptable especially with respect to the French-speaking people of this country, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That this notice of motion be withdrawn and replaced by a more adequate and appropriate one.

Mr. Speaker: The Chair entertains some doubts concerning the admissibility of the motion, but it is simpler for me to inquire of the House and determine whether there is unanimous consent.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Official Languages

[*English*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act.

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

* * *

OFFICIAL LANGUAGES

DECLARATION OF CERTAIN PRINCIPLES RESPECTING EMPLOYMENT IN PUBLIC SERVICE OF CANADA

On the order: Government Notices of Motions:

April 11, 1973—The Prime Minister:

That this House,

(i) aware that, as provided in the Official Languages Act, the English and French languages possess and enjoy equality of status and equal rights and privileges as to their use in all the institutions of the Parliament and Government of Canada;

cognizant that it is the duty of departments and agencies of the Government of Canada to ensure, in accordance with that Act, that members of the public can obtain available services from and communicate with them in both official languages; while

recognizing that public servants should, as a general proposition and subject to the requirements of the Official Languages Act respecting the provision of services to the public, be able to carry out their duties in the Public Service of Canada in the official language of their choice;

do hereby recognize and approve the following Principles for achieving the foregoing:

(1) that positions which are seen, under present circumstances, as requiring the knowledge and use of both the French and English languages will be first identified, and then designated, as bilingual in the course of the period ending December 31, 1978;

(2) that positions will also be identified where English is an essential requirement of the job, where French is essential, or whether either French or English may be used;

(3) that a knowledge of English and French is one of the elements of merit in the selection of candidates for bilingual positions;

(4) that competitions for bilingual positions will be open both to bilingual candidates and unilingual candidates who have formally indicated their willingness to become bilingual;

(5) that competitions for unilingual positions will continue to be open to unilingual or bilingual candidates who meet the language requirements of the job;

(6) that unilingual incumbents of bilingual positions may elect to become bilingual and undertake language training, or transfer to another job having the same salary maximum, or, if they were to decline such a transfer, to remain in their positions even though the posts have been designated as bilingual;

(7) that employees who, as of April 6, 1966, had at least ten years of continuous service and who, since that date, have been employed continuously in the federal Public Service, will be entitled to apply for any job that has been identified for future designation as bilingual without having to indicate their willingness to become bilingual;

(8) that unilingual French-speaking and English-speaking persons from outside the Public Service who are willing to become bilingual may apply for bilingual positions open to public competition;

[Mr. Speaker.]

(9) that language training, at public expense, will be provided to unilingual public servants as well as to persons who are appointed to the Public Service to bilingual positions;

do further approve the Government of Canada, and, in particular, the Treasury Board and the Public Service Commission, taking the measures required to give effect to the aforementioned Principles; and

(ii) do further approve the taking of measures, after consultation with employee representatives, designed to produce a greater use of the French language at all levels in the Public Service, through increasing where practical, the number of French language units, through further recruitment efforts by the Public Service Commission, through training programs offered in the French language and by developing proposals, in conjunction with the governments of the provinces of Ontario and Quebec, to enhance the bilingual character of the National Capital region, thus helping to realize the objective of achieving, within the merit principle, full participation in the Public Service by members of both the anglophone and the francophone communities.

Mr. Speaker: Pursuant to Section 2 of Standing Order 21 this notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the House.

● (1110)

ORAL QUESTION PERIOD

WAYS AND MEANS

EARLY INTRODUCTION OF REMAINING NOTICES OF MOTIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. Since the House yesterday disposed of the income tax bill affecting 1972 personal income tax and will be engaged in dealing with the excise tax and customs tariff bills for 1972 today, can the hon. gentleman tell us whether on Monday he will be presenting notices of ways and means motions relating to the 1973 budget measures and anything left over from 1972, particularly the measure relating to personal income tax?

Hon. John N. Turner (Minister of Finance): Not on Monday, no, not until after the Easter break.

Mr. Stanfield: Mr. Speaker, I have a question for the Prime Minister. In view of the fact that some of these measures have been around for a year, and since it is only now that measures relating to 1972 changes announced as long ago as last May are being dealt with by the House at the instigation of the government, I must ask the Prime Minister whether he will not exercise his responsibilities as leader of the government and put before the House notices of the ways and means motions arising out of the 1973 budget, as well as what is left over from 1972, rather than leave the House, the country and personal income taxpayers—

Mr. Speaker: Order, please. I am under the impression that the Leader of the Opposition had asked a supplementary question. Perhaps that might be answered and then the Leader of the Opposition might ask a further supplementary.

Right Hon. P. E. Trudeau (Prime Minister): The hon. Leader of the Opposition had not reached his question mark. I should like to know what he had in mind.

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, it is all very well for the Prime Minister to be funny. I had reached the question mark, and a lot of other people have reached the question mark.

Some hon. Members: Hear, hear!

Mr. Stanfield: I ask the Prime Minister of this country whether there is any reason why parliament and the people are not being presented immediately with the ways and means motions arising out of those two budgets and are being left in doubt as to the intention of the government despite the fact that some of these measures have been lying around for more than a year.

Mr. Trudeau: Mr. Speaker, I want to thank the Leader of the Opposition for a very worth-while suggestion. I will give it the most serious consideration.

Some hon. Members: Oh, oh!

Mr. Stanfield: I simply want to ask the Prime Minister whether he believes the people of this country should be left in doubt in this way, particularly since they have already gone through a year of doubt with regard to fiscal measures? Does he believe the people should be left in doubt as to the tax proposals, which are ordinarily presented in a very firm way to the House and the country immediately following the budget, and does the government have any excuse other than political manoeuvring, arrogance, or something like that?

Mr. Speaker: Order, please. The right hon. Prime Minister seeks to reply to the Leader of the Opposition's question. It seems to me we are getting involved in debate rather than in questions and answers. However, if the right hon. Prime Minister can reply briefly he may do so and I will then recognize the hon. member for Nanaimo-Cowichan-The Islands for the purpose of asking a supplementary question.

Mr. Hees: Try to be straightforward for once.

Some hon. Members: Oh, oh!

Mr. Hees: It would be a new experience and a very refreshing one.

Mr. Trudeau: Mr. Speaker, I see the members of the opposition are not treating this question seriously.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. We are certainly not starting the question period on the right foot this morning. I wonder whether we might try to have some order and proceed in a more quiet and dignified way.

Mr. Stanfield: Mr. Speaker, I just want to assure the Prime Minister that, as he could see, I was waiting with bated breath to hear what he was going to say, as were hundreds of thousands of people in this country.

Mr. Speaker: The hon. member for Surrey-White Rock.

Mr. Mather: I do not have a supplementary question, Mr. Speaker.

Mr. Speaker: We will return to this question in a short while. Perhaps we might try to complete the first round of questioning. If hon. members then want to continue this debate we will do so with the hon. member for Nanaimo-Cowichan-The Islands. For the moment the Chair will recognize the hon. member for Surrey-White Rock.

* * *

CONSUMER AFFAIRS

INVESTIGATION OF SAFETY OF FIRENZA CARS—ASSISTANCE TO OWNERS TO RESOLVE COMPLAINTS

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question for the Minister of Transport concerning motor vehicle safety. Having in mind the hundreds of complaints from unfortunate owners of Firenza cars in regard to the safety-related defects of that car which has now been taken off the market by General Motors, is the Minister of Transport giving consideration to the request of the Automobile Protective Association that his department conduct an investigation or inquiry into the safety hazards of Firenza cars?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, to my knowledge, the department has in at least ten instances requested this company to withdraw some of their cars from the market and to return them to the plant for correction of certain flaws in design or construction. On each occasion, we do advise the provinces and publicize such faults as have been detected, and I feel the safety division of the department is most active and deserves the praise of the people of Canada.

[*English*]

Mr. Mather: Mr. Speaker, I have a supplementary question which I should like to direct to the attention of the Minister of Consumer and Corporate Affairs. Would the minister indicate what, if any, policy of consumer advocacy his department is adopting to help the owners of many of these cars who have suffered a very substantial economic loss through their purchase of Firenzas?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I did indicate to the House a few weeks ago that the department was, on behalf of Firenza owners who had brought their complaints to us, dealing with General Motors to try to find satisfactory solutions to their complaints.

Oral Questions

[*Translation*]

REGIONAL ECONOMIC EXPANSION

CIP PLANT IN TEMISCAMING—STUDIES RESPECTING POSSIBLE REOPENING—REQUEST FOR REPORT BY MINISTER

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion.

Last week he told me that he was meeting provincial authorities in order to discuss the possible reopening of the International Paper Company plant in Temiscaming. Has there been such a meeting or such discussions this week? Can the Minister say whether the plant will be reopening, and when?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I have had conversations with the appropriate minister, I believe the minister of forestry, of the province of Quebec and yesterday a meeting of officials was held in Quebec City. I only had a brief chance this morning to get a report, but I am told that the meeting yesterday went very well, that considerable progress was made and that there is what I might describe as a federal-provincial position on which we are both agreed and which will now be brought to the various promoters of the project in the hope that this might result in the reopening of the mill as quickly as possible. It looks promising.

Mr. Speaker: The Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands on a supplementary to the first question.

* * *

THE CANADIAN ECONOMY

STEPS TO OFFSET INCREASE IN ONTARIO SALES TAX AND IMPOSITION OF ENERGY TAX

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. In view of the fact the minister claims that his budget is expansionary in intent, may I ask him what steps he intends to take to offset the negative effects of the increase in the province of Ontario sales tax to 7 per cent and the imposition of a consumers' energy tax on people who use energy for the heating of their homes?

● (1120)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that is something we would have to consider particularly in terms of stimulus. The personal income tax reduction proposed in February here was equivalent to about a 12 per cent or 13 per cent tax cut. If you take the increase in the sales tax in Ontario from 5 per cent to 7 per cent and the expiry of the 3 per cent reduction, that is equivalent in Ontario to about a 19 per cent income tax raise.

Mr. Douglas: In view of the fact that home heating is an important item in the budget of most families, does the Minister of Finance or any other minister intend to carry on discussions with the provinces to see what steps can be taken to offset both the increase in the price of gas instituted by the province of Alberta and now the imposition of a consumer tax on energy in the province of Ontario?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will take that into consideration in view of the substance of the preamble of the hon. gentleman's question.

FACTORS DETERMINING UNEMPLOYMENT RATE IN 1973—MINISTER'S FORECAST

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to ask the Minister of Finance a question concerning the economy and unemployment. In view of the government's annual economic review wherein it is indicated that the unemployment rate for 1973 will depend in part on the participation rate and also the willingness of people to involve themselves in the work force by actually seeking jobs, can the minister say whether he feels these will be the reasons unemployment will be high or low, depending on what he predicts will happen, and, finally, will he indicate to the House whether he has made any prediction about this year's unemployment rate expectation, whether it is approaching the corner, rounding the corner, on the straightaway or whatever he would like to indicate?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have attempted to forecast what the total number of new jobs will be for 1973, given reasonable industrial stability, a reasonable international trade position—

An hon. Member: Good weather.

Mr. Turner (Ottawa-Carleton): —and reasonable crops.

Mr. Hees: Good luck.

Mr. Turner (Ottawa-Carleton): To arrive at the eventual unemployment figure, of course—

An hon. Member: And the grace of God.

Mr. Turner (Ottawa-Carleton): —a number of assumptions would have to be made, including the participation rate as the hon. gentleman suggests. It is because of the variables involved that I have hesitated to give a figure which might be confused by the public and the hon. gentleman as either a target or a forecast or something which would not give the firmness the hon. member expects.

Mr. Lundrigan: I have one final supplementary, Mr. Speaker.

Mr. Speaker: Order, please. I would remind hon. members that we are still on the first question asked this morning. I would hope we might go to another subject soon. The hon. member may ask a further supplementary and then I will recognize the hon. member for Prince Edward-Hastings.

Mr. Lundrigan: With due respect for the minister's answer, and not wanting to be unfair to him, is he telling the House and the Canadian people that the government has not made a prediction, a forecast or prognosis about unemployment expectations for 1973?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the House is well aware of my views on forecasts and targets. If the hon. gentleman wants to take that up in more detail, I am again on my estimates on Monday night.

* * *

NATIONAL DEFENCE

POSSIBLE OPENING OF MILITARY COLLEGES TO WOMEN

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of National Defence. I asked this question about two months ago and the minister said he would give it consideration. I wonder whether he is now ready to give the answer. In view of the tremendous advantages afforded young men wishing to go into the armed forces as a career, is the government now willing to provide the same advantages to young women by allowing them to attend military colleges and attain the same standards with the same advantages?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, although I have explained to the House that it is not now our policy to admit women to military colleges—

Some hon. Members: Shame!

Mr. Richardson: —I would say that personally I believe the time may now be appropriate for us to re-examine that policy and I will do so following the suggestion of the hon. member with which I agree. If I could have a moment longer, Mr. Speaker, I would like to say that even though we do not have women enrolled in the military colleges we do provide opportunities for training at the universities. There are now 42 women enrolled in officer training courses at civilian universities on an equal basis with men.

Mr. Speaker: Order, please. The hon. member has a supplementary and he will be recognized for that purpose. I believe the Minister of State seeks the floor on a point of order but I will first recognize the hon. member.

Mr. Hees: Mr. Speaker, I was not referring to those who wish to upgrade their education and are allowed to go to university because they do not get these advantages at all. As a graduate of RMC I can tell the minister that women would be very welcome at these colleges.

Mr. Speaker: The Minister of State on a point of order.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS BEATITUDE MAXIMOS THE FIFTH, GREEK MELCHITE CATHOLIC PATRIARCH

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, in view of the shortage of time I would like to call your attention to the presence in the visitors' gallery this morning of His Beatitude Maximos the Fifth, the Greek Melchite Catholic Patriarch of Antioch, of all the East and and of Alexandria and Jerusalem, and wish him a warm welcome to Parliament Hill.

Some hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

ACTION TO PROTECT CANADIAN TRADE WITH CARIBBEAN ISLANDS FOLLOWING FORMATION OF COMMON MARKET

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. In view of the fact that on July 1, 1973, the five-year old Caribbean Free Trade Association, CARIFTA, will officially become the Caribbean Common Market, a union of 13 former British possessions with a common external tariff and unified economic trade and fiscal policies, what efforts are being made by the minister's department to protect the $100 million Canadian market in the CCM, and are efforts being made to open up new markets in this area for Canadian capital goods and raw materials which will be required as industrialization in the CCM creates new demands?

Mr. Speaker: Order, please. I am sure the hon. member will recognize that his question is very wide in its scope. Certainly the House cannot expect the minister to reply to a question such as that. If the minister wants to indicate that he would wish to make a statement on motions or give the House the information in some other way, he will be recognized for that purpose.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I take advantage of this occasion to wish the Caribbean organization the very best. It is my view that co-operation among these islands is very much in the interests not only of these islands but also of Canada and will provide greater markets than would otherwise exist which we are exploring as a means of expanding our exports.

VIET NAM—REQUEST FOR INFORMATION ON LOCATION OF HELICOPTERS CARRYING ICCS PERSONNEL WHEN SHOT DOWN

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In light of reports that an inspection team of the International Commission of Control and Supervision on the spot has made a finding that the helicopters which were shot down in Viet Nam recently in fact were 15 miles off course, which seems to be inconsistent with information given to the House, will the minister make a further

statement on motions or otherwise clearing up this matter?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have not yet received an official report from our representatives at Saigon about this incident. I have seen, as has the hon. gentleman, the reports that have come through the press. I have reason to believe they are broadly accurate, but we have not yet had a complete report and I would prefer to make a statement or table the report when it is received.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

BENEFIT CONTROL—OFFER OF EMPLOYMENT PRIOR TO DISQUALIFICATION—AMENDMENT OF ACT

Mr. Roland Godin (Portneuf): Mr Speaker, I would like to ask a question to the Minister of Manpower and Immigration.

Owing to the present Unemployment Insurance Act regulations, thousands of Canadians will never be able to qualify for benefits if they are unemployed. Could the minister tell us if he contemplates bringing in soon an amendment to this act so as to make contributions optional?

● (1130)

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): I do not accept the premise of the question, but I will examine it in case I missed some nuance.

[*Translation*]

POSSIBLE AMENDMENT OF CANADA LABOUR CODE TO RE-ESTABLISH 48-HOUR WEEK

Mr. Roland Godin (Portneuf): I would like to ask a supplementary, Mr. Speaker.

I have in hand a document which I received from someone who is having difficulties with the Unemployment Insurance Commission. Benefits were refused because that person has limited his availability to five days a week.

Mr. Speaker: Perhaps we should now hear the supplementary.

Mr. Godin: As the minister indicates that he does not want to amend the Unemployment Insurance Act, could he tell us if he contemplates amending the Canada Labour Code in order to restore the 48-hour week?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): I would ask the hon. member to send me the details of the particular incident he has described and I will see what I can do about it.

[Mr. Brewin.]

DRUGS

IMPORTATION OF MARIJUANA—SUGGESTED REDUCTION OF CHARGES TO TRAFFICKING OR POSSESSION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to direct my question to the Solicitor General. It arises out of a question I asked him last week in reference to the act under which the minimum sentence for the importation of soft drugs—I was dealing with university students or other young people who are caught bringing in drugs such as marijuana—is seven years. Can the minister say whether any special instructions have now gone out to his legal officers with reference to that kind of charge and whether the proper prerogative could be used to charge these people with either possession or trafficking?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, no further instructions have gone out. I indicated to the hon. member when he raised the matter last that the instructions which were already in the hands of agents seemed to me to be completely appropriate.

Mr. Woolliams: Can the Minister of Justice say, without naming anyone on a particular charge, that the present charge which carries a minimum penalty for a first offence of seven years will be changed to either a charge of trafficking or simple possession?

Mr. Lang: I will not speak about an individual case, Mr. Speaker.

Mr. Woolliams: It seems like discrimination to me.

* * *

IMMIGRATION

STATUS OF MR. AND MRS. SANCHEZ

Mr. Jim Fleming (York West): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Considering the government's so-called "gentle hand policy" to visitors coming to Canada, could the minister explain why Mr. and Mrs. Sanchez from Argentina were forbidden to work and threatened with deportation by government officials, as reported by various sources yesterday?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, Mr. and Mrs. Sanchez came to Canada last fall and had permission to remain until March 31 of this year as visitors. On March 5 they appeared at the Toronto Immigration office to apply for landed immigrant status. They were told that this was not possible and arrangements were made for them to appear at a special inquiry on a date to be later specified. On April 11 they appeared at a Canada Manpower centre in suburban Toronto, were identified as people awaiting an inquiry, and an immigration officer stamped a prohibition to work in their passports. This was stamped in error.

Mr. Speaker: Order, please. I suggest to the minister and to the hon. member that it is somewhat irregular to try to make statements to the House by way of questions during the question period.

Some hon. Members: Hear, hear!

Mr. Fleming: Mr. Speaker, I have a supplementary question through you to the minister. Could the minister indicate whether this problem has been resolved for these people?

Mr. Andras: Yes, Mr. Speaker. The inhibition has been removed and the couple may be permitted to work. There was no threat of deportation whatsoever.

* * *

INCOME TAX

TREATMENT OF RETURNS OF CORPORATIONS CLAIMING CAPITAL COST ALLOWANCE AS PROPOSED IN MAY, 1972, BUDGET

Mr. Don Blenkarn (Peel South): Mr. Speaker, my question is for the Minister of National Revenue. In view of the fact that the changes in capital cost allowances suggested in the May, 1972, budget have not yet been invoked by order in council or by amendments to the Income Tax Act, will the minister advise the House how he is handling returns made by corporations whose year end is now over and who have filed returns and have used the capital cost allowance suggestions in that budget?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, the question does not arise unless the corporation is anxious to have an assessment established immediately. In that case, of course, the assessment would have to be established on the basis of the law as it exists.

* * *

ROYAL CANADIAN MOUNTED POLICE

SUGGESTED BONUS FOR SURVIVING MEMBERS OF ROYAL NORTHWEST MOUNTED POLICE AND ANNUAL ESCALATION OF PENSIONS OF RETIRED PERSONNEL NOT YET 60

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Solicitor General. This being the centennial year of the Royal Canadian Mounted Police, is the Solicitor General considering a bonus to the pensions of the surviving members of the Royal Northwest Mounted Police, and can he also say what progress he is making in securing the necessary arrangements so that retired RCMP personnel not yet 60 will have their pensions escalated annually?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, these matters are under study. I do not have any details for the hon. member right now, but I will be pleased to get them for him.

NATIONAL DEFENCE

ANNUAL ESCALATION OF PENSIONS OF RETIRED ARMED FORCES PERSONNEL NOT YET 60

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a supplementary question, which is parallel to the one I just asked, to the Minister of National Defence. Can he say what progress he is making so that retired armed forces personnel not yet 60 years of age will receive the annual escalation in their pensions?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the matter is under consideration.

* * *

TRANSPORT

REQUEST FOR AMENDMENT OF SAFETY REGULATIONS REQUIRING INSHORE SPORTS FISHING BOATS TO CARRY LARGE, INFLATABLE LIFE RAFTS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address my question to the Minister of Transport. I regret that I have not been able to give him notice, but perhaps he could take the question as notice if he is not in a position to answer it now. Will he take action, preferably before June 1, to amend or reinterpret the well intentioned but completely impractical safety regulations which require small inshore fishing boats that take people sports fishing to carry large, inflatable life rafts?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will look into this problem and answer later.

* * *

NATIONAL DEFENCE

PAY OF CANADIAN ARMED FORCES PERSONNEL ON VIET NAM SUPERVISORY COMMISSION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the Minister of National Defence. In view of the fact that the Department of National Defence personnel are working as long hours and under conditions that are as dangerous as the conditions under which employees of the Department of External Affairs are working in Viet Nam, is the minister going to announce an increase in pay rates for the defence personnel equal to that paid to external affairs and other civilian personnel serving in Viet Nam?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the arrangements for foreign service pay are determined by the Treasury Board, not directly by the Department of National Defence or the Department of External Affairs.

Mr. Baker: Would the minister care to enlighten the House now as to what the minister's recommendations are to the Treasury Board with respect to this matter and with respect to pay for Department of National Defence personnel equal to that of members of the Public Service of Canada?

Mr. Richardson: Broadly speaking, we have achieved equality of pay for the armed forces and the public service. When we look at something specific, such as the matter mentioned by the hon. member, foreign service allowances, we have to consider other elements in the total package of allowances and benefits. We have to look at the pension plan, at housing conditions and even medical care. There is a lot in the package that has to be weighed, not just one item.

* * *

[*Translation*]

HARBOURS

POINTE-AU-PIC—REPAIRS TO WHARF

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like to put a question to the hon. Minister of Public Works.

On March 23, a ship damaged the wharf at Pointe-au-Pic. Since that accident there has been no traffic in the port in order to allow repairs to be made. Can the minister advise us whether the work has in fact started and, if so, when it is expected to be completed?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I shall have to inquire as I am not now in a position to answer this question. It was probably very difficult to do the work during winter months, but I shall look into the matter and advise the hon. member at the first opportunity.

* * *

[*English*]

RESEARCH

PERCENTAGE OF RESEARCH AND DEVELOPMENT GRANTS MADE IN WESTERN PROVINCES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of State for Science and Technology. In view of the statement made in the speech prepared for delivery by the Minister of Industry, Trade and Commerce in Calgary on April 5 that 25 per cent of all research and development incentive grants are made in western provinces, which contrasts with the statement by the Minister of National Defence reported on page 363 of *Hansard* that 91 per cent of all such research and development grants are given in Ontario and Quebec, and therefore only 9 per cent for all the rest of Canada, my question is—

Mr. Speaker: Order, please. The hon. member should ask his question, he should not present an argument.

Mr. Andre: My question is, which of these two ministers' statements is correct?

Mr. Speaker: The hon. member for Sault Ste. Marie.

[Mr. Baker.]

● (1140)

PUBLIC SERVICE

ALLEGED LOWER PAY TO GENERAL SERVICE EMPLOYEES IN SAULT STE. MARIE COMPARED WITH PUBLIC SCHOOL COUNTERPARTS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is directed to the President of the Treasury Board. In view of the minister's stated intention to keep salaries of federal employees in the general services category competitive with those of non-government employees, can he explain why federal government employees in this category in Sault Ste. Marie must work for 70 cents less an hour than their counterparts in the public school system?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am not aware of the details of this case. I think that currently these rates are under negotiation.

* * *

CANADIAN BROADCASTING CORPORATION

BROADCASTING OF GOVERNMENT AND H. and R. BLOCK COMMERCIALS RESPECTING 1972 INCOME TAX FORM

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Communications. Does he feel that the Canadian Broadcasting Corporation is acting in the best interests of Canadian citizens in running commercials by Fred Davis about our so-called simple tax form and other commercials by the H. and R. Block Company calling attention to the need for their professional services because of this same tax form?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, the CBC does not report to the Minister of Communications.

Mr. Speaker: The hon. member for Bellechasse.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker—

Mr. Speaker: I apologize to the hon. member for Bellechasse.

[*English*]

The hon. member for Cape Breton-East Richmond is rising on a supplementary.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, my supplementary would be to the responsible minister, but with the way things are going on that side of the House we never know who is responsible for what.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, in view of the absence of the hon. Minister of Agriculture, I would like to put my question to his parliamentary secretary who was here a moment ago. However, if you will allow me to do so, I shall put my question as soon as he is back in the House.

[*English*]

AIRPORTS

VANCOUVER INTERNATIONAL—INITIATION OF ENVIRONMENTAL STUDIES RELATED TO EXPANSION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the Minister of Transport. A month and a half ago the Minister of the Environment assured the House that environmental studies relating to Vancouver Airport expansion would be concluded within 12 months. Can the minister assure the House that these studies have in fact now been started?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think it would be preferable to put this question to the Minister of the Environment.

Mr. Fraser: Mr. Speaker, since this is under the jurisdiction of the Minister of Transport, can he tell us whether these studies, which apparently have to be completed within 12 months, have been started? If he does not have the information, would he undertake to let us have it as soon as possible?

Mr. Marchand (Langelier): Mr. Speaker, I think that the Minister of the Environment acts for us in this matter. We asked that department to make the studies. What stage the studies are at the moment I do not know exactly, but I will make inquiries.

* * *

COMMUNICATIONS

INCLUSION OF STATEMENT OF GOVERNMENT POSITION ON COMPUTER COMMUNICATIONS ON CONFERENCE AGENDA—RESPONSE OF PROVINCES TO INVITATIONS TO ATTEND

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I wish to direct a question to the Minister of Communications. In view of the computer communications green paper tabled today, or another chapter in the green paper policy, is this subject also to be included on the agenda of the federal-provincial conference the minister has called, and what has been the response of the various provinces to his invitation?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Yes, Mr. Speaker, computer communications is obviously one of the subjects covered under a national policy on telecommunications. The provinces' answer on a proposed federal-provincial conference on telecommunications was positive. However, they feel that the proposed agenda for the beginning of July is premature. Most provinces would rather have a conference in the fall, in early October.

[*English*]

Mr. Nowlan: Along with the issue of general policies and principles which will be on the agenda of this federal-provincial conference, will the question of the political balance of the Canadian Radio-Television Commission also be an item for discussion at the conference?

[*Translation*]

Mr. Pelletier (Hochelaga): Mr. Speaker, whatever suggestions the communications ministers make, I do not think any of them is interested in the make up of the Canadian Radio-Television Commission the way the hon. member seems to be suggesting.

* * *

[*English*]

CONSUMER AFFAIRS

ESTABLISHMENT OF MONITORING MECHANISM TO ENSURE THAT SALES TAX AND TARIFF REDUCTIONS ARE PASSED ON IN LOWER PRICES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs. Has he now established the monitoring devices with regard to price reductions, following the sales tax and tariff cuts announced in the budget, that he said he was studying a few days ago and which the Minister of Finance later said were already in place in several departments?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, a mechanism for this purpose has been established within my department and I hope to have further information about the results of its work available to the Minister of Finance and to the House in due course.

Mr. Stanfield: Mr. Speaker, in view of the fact that the House will presumably be recessing on Wednesday next, will the minister undertake to make a full statement as to the monitoring methods being used and the results of such checks before the House recesses?

Mr. Gray: I do not think I am in a position to do that.

Mr. Stanfield: I guess you are not.

Mr. Gray: I will examine what information I can give. I want to leave the Leader of the Opposition something to look forward to when the House resumes.

* * *

● (1150)

AIRPORTS

PICKERING TOWNSHIP SITE—EXPROPRIATION OF LAND—MEMBERSHIP AND TERMS OF REFERENCE OF COMMITTEE OF INQUIRY—POSSIBLE CHANGE IN PLANS

Mr. John Harney (Scarborough West): Mr. Speaker, I rise to direct my question to the Minister of Transport. It is my fortnightly question on the subject of a second international airport at Toronto. Could the minister report what progress is being made on establishing the commission of inquiry with regard to the expropriations surrounding the second international airport at Toronto, and also with regard to setting the terms of reference for this commission?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as I stated in the House previously, I have to

meet with the Premier of Ontario, Mr. Davis. This has not been done yet, but I hope I can meet with him very soon.

Mr. Harney: In view of the fact that officials of the Ontario Department of Transport and Communications recently stated publicly that the second international airport at Pickering will probably not be built in the sense that it has been proposed, is the House to expect that there have been significant changes in the plans for the Pickering airport?

Mr. Marchand (Langelier): Mr. Speaker, the only thing I can say is that nobody has been authorized to make such a statement on behalf of the federal government.

Mr. Speaker: Order, please. We are running short of time. The Chair will recognize the hon. member for St. Paul's on a supplementary.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, in view of the fact that the announcement by the government on January 30 with respect to the Pickering airport expropriations indicated that the independent study group would be required to report within one year, and in view of the fact that some ten weeks have passed since that announcement, is the minister still sticking by his commitment to have that group report within one year?

Mr. Marchand (Langelier): I still hope so, Mr. Speaker.

* * *

[*Translation*]

HOUSE OF COMMONS

POSSIBILITY OF PROVISION OF SECRETARIES FOR MEMBERS IN CONSTITUENCIES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

I asked him a question on Monday about the possibility of setting up secretarial facilities in each riding, so as to provide better service for the general population. Have there been any further developments on this this week? Does the right hon. Prime Minister intend to recommend or take steps towards setting up such offices in each federal riding?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, since the Social Credit leader asked that question, I have consulted the government leader in the House, who reported to me on discussions he has had with representatives of the other parties.

The hon. member is aware that this is a measure that we would be unwilling to pass if a large number of members were opposed to it, since its aim would be to provide a federal presence in the various parts of Canada that are a long way from Ottawa.

The reports I have had to date are encouraging, and it would seem that the House leader will soon have the support of almost all the parties for this measure; once he has, we will be very glad to implement it.

[*English*]

EXTERNAL AFFAIRS

ALLEGED REFUSAL TO GRANT CREDIT TO GOVERNMENT OF CHILE

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the government's apparent refusal to grant any variety of credit to the government of Chile, and the unpleasant appearance of complicity in some sort of pressure on that government, would the Prime Minister immediately revoke the order apparently issued by some branch of government, external affairs or trade and commerce, and remove this refusal of a discriminatory nature against the government of Chile and allow that government to obtain normal credit, as other governments in South America do, particularly in view of the fact that this is seriously interfering with Canada's trade—

Mr. Speaker: Order, please.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, if I may be permitted to reply, there is no substance whatever to the allegation made by the hon. member.

[*Later:*]

Mr. Nesbitt: Mr. Speaker, I rise on a question of privilege. The reply to the question I asked a few moments ago was made by the Secretary of State for External Affairs and, if I may say so I believe the minister has quite innocently misled the House. When an inquiry was made by myself of the Export Development Corporation, I was informed that there was a government order that no credit was to be extended to the government of Chile. That is the question of privilege.

Mr. Speaker: Order, please. That is not a question of privilege but perhaps a point of debate between the minister and the hon. member.

* * *

INCOME TAX

ALLEGED REFUSAL OF NATIONAL REVENUE EMPLOYEES TO IDENTIFY THEMSELVES ON TELEPHONE WHEN ADVICE SOUGHT

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is for the Minister of National Revenue. As the minister is now likely aware that his department will not stand behind the advice it is giving to taxpayers, will the minister tell the House whether refusal by employees of his department to identify themselves on the telephone is an official policy of his department?

Hon. Robert Stanbury (Minister of National Revenue): No, Mr. Speaker, but the hon. member should know, and I think he does, that it has been well established in law that members of the public service or members of the government, for that matter, cannot bind the Crown. Therefore they cannot be expected to guarantee information given over the phone to the extent that it can be used as evidence in court.

Mr. Speaker: Order, please. The hon. member rises for a supplementary. He will be recognized for that purpose. I will then recognize the hon. member for Churchill and call orders of the day.

Mr. Bawden: Mr. Speaker, the minister did not answer my question, but I hope he will. Is the reason for withholding names the fact that employees of his department are uncertain about the advice they are giving because of the complexity of the tax laws or fear of being prosecuted by taxpayers who have received bad advice?

Mr. Stanbury: Mr. Speaker, I answered the question. The answer was no. There is no such instruction and there is no such fear.

* * *

POWER

MANITOBA HYDRO DEVELOPMENT—INQUIRY AS TO APPLICATION FOR DIVERSION OF SOUTH INDIAN LAKE AND REGULATION OF LAKE WINNIPEG

Mr. Keith Taylor (Churchill): Mr. Speaker, my question is for the Minister of Transport. In view of a previous question asked of the minister concerning Manitoba Hydro development, may I ask the minister now whether he has received an application for the diversion of South Indian Lake in Manitoba from Manitoba Hydro and whether in fact he received an application in respect of the regulation of Lake Winnipeg over three years ago from Manitoba Hydro?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am not aware personally if we have received such an application, but I will inquire of the department and answer.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

EXCISE TAX ACT

The House resumed, from Thursday, April 12, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-171, to amend the Excise Tax Act, be read the second time and referred to Committee of the Whole.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, Bill C-171 is a relatively short bill. The commodities to which it refers have long since been forgotten by members of this House. Actually, many members of the House never knew of the proposals in the budget which gave rise to these changes. These changes are limited to those that the minister announced in the budget of May 8, 1972. Basically they cover a limited number of commodities on which taxes have either been eliminated or on which they are to be reduced.

Before I deal with the particular provisions of the bill which apply to such things as, contact lenses, crates used

in transportation, eel traps and a few things like that, I should like to say that the House, I am sure, was very disappointed that even in his last budget address the minister did not announce that there was being undertaken a general review of the entire sales tax, as that applies to the government of Canada. We know that the Carter Commission made some proposals about the whole question, but we have not heard anything about them for several months. I will wait until the minister pays attention.

An hon. Member: He is not paying attention to you.

Mr. Lambert (Edmonton West): Perhaps I could have the attention of both hon. gentlemen who are now conferring, since they are the ones to whom I should like to make these remarks.

An hon. Member: Send the minister a letter, Marcel.

Mr. Lambert (Edmonton West): An hon. member suggests that I should send a letter. It would never get there on time. I am not satisfied that the Postmaster General (Mr. Ouellet) could get it there on time.

The point I was hoping to impress on the minister, and on the Prime Minister (Mr. Trudeau) if he had stayed in the chamber, is the necessity of a total review of the sales tax provisions that apply at the federal level. Over the years the act has become a mishmash of parts that were repealed, of additions, and of many schedules that are a jungle of inconsistencies. Actually, there is in my mind a very grave question about the efficacy of flat rate consumption taxes. These are imposed on an ad valorem basis. As prices rise, the revenues of the government rise. The federal sales tax is a regressive tax in that it hits more heavily—

Mr. Turner (Ottawa-Carleton): How about provincial sales taxes?

Mr. Lambert (Edmonton West): —the persons in lower income brackets. The minister asks, what about provincial sales taxes? I agree with him. That, however, does not alter the fact that leadership for a total review of consumption taxes, such as sales taxes, must be given in this country if tax reform is to have any meaning. If the subject of tax reform in this country has been abandoned by the Liberal administration because it has exhausted in producing the new Income Tax Act, I can readily understand the apparent lack of progress. The Minister of National Health and Welfare (Mr. Lalonde) is talking now about a guaranteed annual income. This administration more and more seems to be moving in that direction, even though the Prime Minister in 1968 had rejected the whole idea. Before there can be any element of justice with regard to a guaranteed annual income, the question of sales and consumption taxes at both federal and provincial sales levels must be considered.

Having said that, I should like to ask the minister to say what steps have been taken since his predecessor many months ago indicated that this action was to be organized. Has anything been done to undertake the planning for a review of the general sales tax picture? That is the point I now wish to make. I will have something to say about it

when we consider the bill in committee of the whole. I will talk about certain principles underlying this bill. After we have heard from representatives in the House, I hope that we will move into committee of the whole to deal with the particular points.

● (1200)

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, like the hon. member for Edmonton West (Mr. Lambert) I; too, intend to be very brief in speaking on Bill C-171. This bill also deals with legislation proposed in the budget of last year. It removes the sales tax from a number of items which help people such as farmers. In my area, this measure will be helpful because it removes the sales tax on crates for live poultry. After all, Yorkton is the turkey capital of the world. Therefore, I enthusiastically support this part of the legislation. In answer to the hon. member for Fraser Valley West (Mr. Rose), I maintain that Yorkton is the turkey capital, not the Fraser Valley. This bill exempts a whole series of items from sales tax such as chicken and turkey crates, eyeglasses, contact lenses and so on.

I listened with interest to the hon. member for Edmonton West (Mr. Lambert). He questioned the wisdom of sales taxes in general and asked the government to review the idea of a sales tax because it is regressive. I agree that sales tax is extremely regressive. I wonder what the Progressive Conservative party thinks about the Ontario government which yesterday implemented a 7 per cent sales tax across the board.

Mr. Lambert (Edmonton West): What about Saskatchewan where it started?

Mr. Nystrom: In Saskatchewan, the sales tax is now 5 per cent. In Ontario, it is 7 per cent, one of the highest in the country. That really indicates where the hearts of the generous Tories are when it comes to the average citizen. It strikes me as funny to hear the hon. member for Edmonton West question the wisdom of sales tax and suggest that it is regressive when his own party in the province of Ontario is increasing the sales tax.

Some hon. Members: Shame.

Mr. Nystrom: I say sincerely that sales tax is regressive. It is imposed across the board and hurts in particular those in the lower and middle income groups. The sales tax in this country should be lowered rather than increased, such as is being done in Ontario. Therefore, I support the bill before us. I am happy to see that a number of items are now being exempted from sales tax. The clause dealing with eyeglasses, contact lenses and other items connected with eye problems is worth-while. The clause dealing with crates for live poultry is very worthwhile, especially in an area like mine, as are other clauses in the bill.

The only question I want to raise at this time concerns providing more exemptions for mining companies in the exploration and drilling for oil and gas. I again want to make the point that the government is handing out another tax exemption to the resource and extractive industries. These industries are already receiving a lot of tax breaks. They are capital intensive. They do not provide jobs. We should look in the opposite direction, plug some of the loopholes and increase taxation for the mining and oil companies. This would entice more money into the manufacturing industry as well as the development of service industries which in turn, would provide more jobs for the people of this country.

The hon. member for Edmonton West may think this rather frivolous. I understand his thinking. He represents, in a very profound way, the thinking of the economic neanderthals of the Conservative party in Alberta, the people who represent the oil and gas companies in this country. What we need in this country is a real change in the tax policy regarding the extractive industries. It is time we did more processing of raw materials in this country. There should be more development in this area. If we did that, we probably would not have the high rate of unemployment that we have today.

In conclusion, we will support the measure before us. During the committee stage, one or two members of this party may have a question or two for the minister.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the bill now under consideration will surely encourage a few sectors of the economic activity in Canada and will not do much for others, while the federal government is on the verge, as an hon. member pointed out a while ago, of abolishing the sales tax on certain drug products and certain other items to help large families. However, at the same time, we hear about tax increases at the provincial level. For example, the Ontario government announced last night that the sales tax would go up from 5 to 7 per cent, while it already stands at 8 per cent in Quebec.

Hon. Marcel Lambert (Edmonton West): And the Sacreds in British Columbia raised it to 6 per cent.

Mr. Caouette (Témiscamingue): And the Conservatives in British Columbia have raised it to 6 per cent.

Mr. Lambert (Edmonton West): No. The Conservatives are not in power; it is an NDP government.

Mr. Caouette (Témiscamingue): The New Democratic Party is in power. In Alberta where the Conservatives are in power, there is talk of a soon to be established sales tax and the hon. member for Edmonton West will probably soon have to confirm it.

Mr. Speaker, oil reserves are all being devoured in Alberta since the Conservatives took over.

The sales tax hits directly big families which naturally have to buy more than small families. Big families are usually those with low incomes; they are the families hardest hit by tax increases in Ontario. But it is not up to the Minister of Finance to tell the government of Ontario not to impose taxes.

This morning I heard the hon. member for Nanaimo-Cowichan-The Islands (M. Douglas) ask with respect to the tax on gasoline or the 2 cent increase in the price of gasoline if the federal government intended to do anything about it.

Mr. Speaker, I was tempted to ask a question at that time to see if in 1944 when the hon. member for Nanaimo-

Cowichan-The Islands was premier of Saskatchewan, the tax on gasoline was removed. Was private entreprise not taxed? For example, were there not oil companies which refused to settle in Saskatchewan because they feared they might be nationalized or controlled by the government? Those are questions which might have been asked this morning had the hon. member been a minister in this government. It may soon come true judging from the way we see the New Democratic Party walk hand in hand with this government. What is now held against the government was applied in Saskatchewan not too long ago and it is still being applied today.

Mr. Speaker, it is not a solution to say: you are blamed for imposing such a tax while everybody is asking for better services in all fields; everybody, especially the New Democratic Party, is clamouring for assistance, as did a while ago the member for Winnipeg North Centre (M. Knowles) who spoke about public servants who should be granted a pension raise, etc. We agree. Why should they get higher pensions? To have more purchasing power!

Nevertheless, Mr. Speaker, we are drawing those increases from the pockets of the taxpayers; we reduce the purchasing power of the general consumer to help a certain class of society. Help a group of citizens, fair enough, but not at the expense of another which is sometimes poorer than the one we are trying to help.

Mr. Speaker, changing the taxation procedure is not new; it has been invented, not by the government, nor by the member for Nanaimo-Cowichan-The Islands nor by myself, but by economists who say that the tax basis should be better distributed in order to reach a given social class.

Mr. Speaker, whether they be Liberals, Progressive Conservatives or New Democrats, most economists have studied in the same universities, yet they contradict each other and confuse governments instead of enlightening them.

I do have a grudge against such economist who dwell in the clouds, get lost in the fog and want to distribute taxation through additionnal bureaucracy, which means more administration expenses and fewer services than ever before.

Mr. Speaker, this is why me should not always rely on taxation; from time to time the Minister of Finance (Mr. Turner) says: the only way to get money is to tax or borrow. How empty those words sound, coming from a sovereign government! It does not enjoy sovereignty; then, where does it find sovereignty? In taxation and borrowing. But why does sovereign government, strong legal and able in a country such as Canada find itself unable to create the credit it needs to serve the people?

Mr. Sepaker, after getting up in the morning and saying the "Lord's Prayer" and the a "Hail, Mary", the Minister of Finance should learn by heart the statement made by Abraham Lincoln in the 1860's when he was President of the United States. This would complement his prayers.

Abraham Lincoln said, and I quote:

• (1210)

[*English*]

I have two great enemies—the southern army in front of me and the financial institutions in the rear. Of the two, the one behind me is my greatest foe. The government should create,—

[*Translation*]

The Minister of Finance is looking at me; these words are not mine but those of Abraham Lincoln; the minister willingly follows the example of this great stateman in other fields, but not in the financial field. No, we must not talk about that.

I resume the quotation:

[*English*]

—the government should create, issue and circulate all the currency required to satisfy the spending power of the government and the buying power of consumers.

[*Translation*]

The hon. member for Nanaimo-Cowichan-The Island has used the same words in western Canada. In 1934-35, the hon. member drove in Saskatchewan in a 1929 model car; I saw the picture. On the one hand, he was saying: Vote CCF, and on the other hand he was saying: Vote Social Credit. At the time of William Eberhart, he almost became a member of the Social Credit Party.

Mr. Speaker, the hon. member none the less recognizes that he used Abraham Lincoln's words.

An hon. Member: Was he not a student that time?

Mr. Caouette (Témiscamingue): He was not a student but I must admit he was very clever. Only when he joined the ranks of the CCF did he lose some of his ability.

Mr. Speaker, Abraham Lincoln said, and I quote:

[*English*]

The privilege of creating and issuing money is not only the supreme prerogative of government—

[*Translation*]

I hope the Minister of Finance understands. I go on quoting:

[*English*]

—it is the government's greatest creative opportunity.

[*Translation*]

Mr. Turner (Ottawa-Carleton): Is the hon. member suggesting that he was an advocate of Social Credit?

Mr. Caouette (Témiscamingue): No, but I can say that I agree with him. I wish the minister would agree with him as well. If he did and undertook exactly what Abraham Lincoln suggested, the minister might conclude by saying: At last, that is Social Credit!

[*English*]

The people can and will be furnished with a currency as safe as their own country. Money will cease to be master and become the servant of the people. Democracy will rise superior to the money power.

[*Translation*]

Those were the words of Abraham Lincoln. When will the Minister of Finance start saying and repeating those words and, above all, putting them into effect? I am looking forward to that. The sipritual leader of the present Minister of Finance was the Right Hon. William Lyon Mackenzie King. That is true!

Mr. Turner (Ottawa-Carleton): That is tough!

Mr. Speaker: Order, please. May I remind the hon. member that we are considering a specific bill, Bill C-171, an Act to amend the Excise Tax Act. I assume that the remarks of the hon. member are introductory to his statement, but I hope that he will soon come to the subject matter of the bill now before us.

Mr. Caouette (Témiscamingue): Mr. Speaker, I am quoting the former president of the United States Abraham Lincoln, and one former Prime Minister of Canada, the Right Hon. William Lyon Mackenzie King, because they were definitely opposed to this excise tax which is dealt with in Bill C-171.

This tax is to a high degree responsible for inflation in Canada; even if we abolish the tax on candies and on some drugs, it will not do much to improve the financial situation.

Let us take, for example, the effects of excise tax in the field of automobiles. Mr. Speaker, I am an automobile salesman. On a $4,000 car, the excise tax is just under $300; the federal sales tax comes to between $500 and $700 and on top of that there is the provincial tax. What an agglomeration of taxes—

An hon. Member: They benefit the salesman!

Mr. Caouette (Témiscamingue): An hon. member says: "They benefit the salesman"! Mr. Speaker, if our profits were that much, we would be rich. Then we would be able to pay more income tax! The excise and other taxes on automobiles and other products are enough. We should at least have exemption from the provincial sales tax.

To come back to what I was saying just now, I know that the Right Hon. Mackenzie King is not behind Bill C-171, but his spirit is there. The Minister of Finance could abolish the excise tax on a number of products if he took the advice of his "spiritual father".

I quote again:

[*English*]

Once a nation parts with the control of its currency and credit, it matters not who makes the nation's laws. Usury, once in control, will wreck any nation. Until the control of the issue of currency and credit is restored to government and recognized as its most conspicuous and sacred responsibility, all talk of the sovereignty of parliament and democracy is idle and futile.

● (1220)

[*Translation*]

Mr. Speaker, it was a Liberal prime minister of Canada who made such a statement in 1935, nearly forty years ago. And today, we still have to deal with the same system. Taxes are distributed instead of abundance. We forget the products which exist in Canada; we still hear stupid economists say that there is not enough production in relation to the purchasing power, while exactly the opposite is true. Today, in order to stimulate employment, they say that private enterprise is going to be subsidized, that the excise tax will be removed on some items, holding out to the people the prospect of an increase in the purchasing power and of new jobs.

Yesterday evening, I saw the advertisement for 300,000 jobs. The Canadian Broadcasting Corporation was wrong as usual and advertised three million jobs. The bureaucrats who do not even have enough time to think what figures they must write down are as strong as 10 years ago. They are irresponsible, as usual.

Mr. Speaker, 300,000 jobs will be created by the Minister of Finance, but they do not say how many new Canadians will join the labour market. The 300,000 jobs of the Minister of Finance remind me of the 100,000 jobs of Mr. Bourassa, in the province of Quebec, where 100,000 jobs became 100,000 layoffs. There are more unemployed in the province of Quebec than at the time when Mr. Bourassa came to power in 1970, and at the national level, there are more unemployed than 3 or 4 years ago. This is the result of such a system! They think that they will improve the well-being of Canadians by giving goodies.

Moreover, automation is increasing every day and shows that we need less and less labour, and human capital. What is needed is automatic capital and I would like the Minister of Finance to find automatic financial capital. Financial capital must work as automation does and then the excise tax would not have to be abolished or altered since the minister would have found a concrete solution. We want to get the economy moving again. There is only one way of making it work: we must increase the consumers' buying power without increasing prices. This is the only way. We will not succeed through the excise tax but through the Bank of Canada and by compensated retail price discounts.

The federal government could use the Bank of Canada so this would not be reflected in prices and in production costs; by decreasing consumption prices, compensated by the federal government, by the Bank of Canada or by a national credit commission, the products would reach consumers and create new jobs through increased demand. Those products would then be made in Canada and not in Japan or Jamaica.

The abolition of the excise tax on certain products is only a drop of water in the ocean. This is not a solution to the problem and if the other parties are happy with that, we are not. We will of course accept the removal of the excise tax on certain products, but this is not enough and the Minister of Finance knows it.

Therefore, I wish, as I said earlier, that in addition to saying his "Hail Mary" or his "Our Father", morning and night, the minister should learn by heart what Abraham Lincoln said in the United States, so that we may establish in Canada a system respectful of all citizens.

[*English*]

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

The Chairman: Order. House in committee of the whole on Bill C-171, an act to amend the Excise Tax Act. Shall clause 1 carry?

On clause 1.

Mr. Scott: Mr. Chairman, I have a suggestion I should like to pass on to the minister at this time with regard to a matter I am disappointed to see is not included in this measure. I refer to educational material not available in Canada and imported from other countries, especially the United States. Books and other material come in free of charge, but when we come to print-out cards which are used for testing students, these have to be processed in the United States, not in Canada, and are subject to tax on re-entry into this country. This tax is, of course, passed on to the taxpayer in our already overtaxed educational system.

I should have thought the minister would have seen fit to bring in an amendment to the act so as to include these materials under the free entry provisions. Therefore, I ask him to give consideration to exempting the materials I have referred to from the provisions of the act. I know the minister is busy with his officials, but this is a very serious matter and certainly affects the cost of education for the municipalities. The people who distribute this material find they are not at all competitive as they have to pay this tax on these test forms and other material when they re-enter Canada. This is discrimination when books that are bound can entry this country duty free.

Mr. Nowlan: The minister should pay attention.

Mr. Scott: I do not know whether the minister has been paying attention to me.

The Chairman: Order. The hon. member is entitled to be heard.

Mr. Scott. Perhaps I should make my case again, Mr. Chairman; I hope his officials will also pay attention. My point deals with books and test cards for computers entering Canada. These are distributed to schools and are used to test pupils. They are then sent to the United States to be run through a computer, and on their return to Canada they are charged tariff entry. This, in turn, is passed on by the different companies to the departments and boards of education in Canada. My plea to the minister is that he see fit to classify this material as he classifies bound material, and admits it in leaf form duty free into Canada.

Clause agreed to.

On clause 2.

Mr. Barnett: Mr. Chairman, in clause 2 there is an amendment to Part IX of Schedule III having to do with marine and fisheries. I have been examining the proposed amendments in relation to the Part as it now stands, and my interpretation of the amendments is that, generally speaking, they are designed to provide exemption from sales tax for the commercial fisheries. In the present section 1 of Part X there is a rather general description of boats bona fide purchased by fishermen for use in the fisheries and articles and materials for use exclusively in the manufacture of equipment or repair thereof.

I have had one or two questions about this asked of me, and I should like to have an understanding that section 1 does, in fact, include an exemption for gill nets, seine nets or trawl nets. I ask this question because one reads down through this part into Nos. 2, 3, 4, etc., certain specific things are spelled out in detail, but nowhere in the present bill are nets of any kind specifically mentioned. I would just like to have confirmed, if I can, that commercial fishermen's nets are in fact sales tax exempt.

• (1230)

Mr. Turner (Ottawa-Carleton): Under Item 68200-1 fishing nets of all kinds are exempt, and that ties in with the list to which the hon. member referred.

Mr. Barnett: That answers that question. Would the specific amendment contained in Bill C-171, which has to do with the amendment to No. 4, cover this? Certain things are added, namely cod traps, eel traps, articles for binding or wedging lobster claws. As I understand it, this is an attempt to close a gap which has existed in the details of exempt items, possibly because of the development of new kinds of fisheries. I wonder whether the general intent is to exempt all of the items required to engage in a commercial fishery, and whether this form of dealing with it is necessarily the best one. The section would include traps and pots used for catching lobsters, crab and shrimp and the proposal is to add cod traps and eel traps.

The question occurred to me immediately, what about the prawn fishery? If one is going to go into that kind of detail, is it necessary for someone engaged in the prawn fishery, as distinct from the shrimp fishery, to go through the rather exhaustive process of making representations to the government in order to find out that a particular type of gear which may be used is exempt? As I understand this part of the section, it is the gear not attached to or necessarily part of the regular equipment of the boat that is exempt. Must this happen every time some new form of fishery is developed and, if so, has consideration been given to what I might describe as a more generic approach being taken, setting out these items? Can the minister shed light on this question?

Mr. Turner (Ottawa-Carleton): We have a serious problem here but, as is customary, parliament likes to have a review of specific items with amendments on the floor of the House. These are the only items that have been drawn to our attention in the last year. We have taken care of them, and I have not been informed of any other problems.

As the hon. gentleman anticipates, this is a widening of the exemptions in the whole fisheries situation.

Mr. Barnett: In light of the minister's response I am not going to really press the matter at the moment, but he did refer to items drawn to his attention. Perhaps I could preface what I want to say by reminding the minister, in case it escaped his attention and I know he has not served on the Fisheries Committee as I have, that when the last amendments to the Fisheries Act were before the Committee, we moved an amendment which was approved by parliament as a whole to include all marine plants as being, by definition, fish.

Just to point out the relationship to this particular schedule, in No. 2 we have a reference to Irish moss. This is a form of marine plant which is harvested commercially on some parts of the Atlantic coast. There is an attempt being made, for example, to develop as a commercial fishery operation within the context of the Fisheries Act, the harvesting of what we commonly refer to as kelp on the west coast. This is a product which is used in commercial manufacturing. I know there is a plant, for example, in California, which produces some quite valuable products from this particular marine plant. As the matter stands, it seems to me that kelp, not being mentioned, would not be covered. If the experimental operation which is or has been underway in British Columbia, involving the leasing of certain areas for kelp harvesting and so on, is successful, it would not be covered by this bill. The problem may not have become acute enough for anyone to bring it officially to the attention of the minister, but I cite this as an example of what could happen.

Somebody might assume he was in a fishery if he were dealing in Kelp, but when dealing with the minister's officials, and getting down to the nitty-gritty of dealing with exemptions, might find that this is not included under the schedule of exemptions. Perhaps the minister would agree, since he is widening the area of exemption by way of this amendment, to keep in mind that particular kind of question.

Mr. Turner (Ottawa-Carleton): Yes.

Mr. Lambert (Edmonton West): Mr. Chairman, I wish to speak particularly about sub-clause (8) of Clause 2, which is the introduction of new Part XIV of Schedule III and covers goods manufactured in institutions. This is one of the principal applications of the minister's proposal and it would eliminate entirely the sales tax from goods manufactured within institutions caring for the blind, the deaf and dumb and the mentally retarded. I would put it to the minister that this is a step in the right direction but, quite frankly, does not go nearly far enough to cover the present day situation. There is a different method of looking after people who are mentally retarded. They are no longer locked up in institutions or, shall we say, confined to mental institutions. This has reference to the blind and the deaf and dumb, but what is being done about the physically handicapped?

Mr. Turner (Ottawa-Carleton): I rise on a point of order. I wonder if I might help the hon. member by referring him to the later ways and means resolution which I tabled on February 19 of this year, in which there is a further amendment proposed to this part of the schedule to include goods produced by the labour of individuals who are in any other manner mentally or physically handicapped.

Mr. Lambert (Edmonton West): All right, that meets part of the question. That meets the part in respect of the physically handicapped, but I am talking about the sheltered workshops which exist throughout the country where we have those who are not severely retarded. I am referring to people who do not live in an institution but live in a home and go to a sheltered workshop. This is not covered under this particular amendment.

[Mr. Barnett.]

• (1240)

Mr. Turner (Ottawa-Carleton): It is.

Mr. Lambert (Edmonton West): It is not covered unless the minister is referring to the February one. I do not have it before me. I thank the minister for reminding me what he did in February. I am referring to the sheltered workshops and also the rehabilitation centres.

Mr. Turner (Ottawa-Carleton): That is in the February one.

Mr. Lambert (Edmonton West): That is good. I think this will shorten the debate a good deal. A number of my colleagues were concerned about this. This is part and parcel of the difficulties of the dog's breakfast type of budget proposals we have to consider.

Now I shall come to the sales outlets. We have a series of shops in Edmonton known as the Marina shops. They handle goods made exclusively by a group of handicapped persons, and are the sole outlets for these products. Naturally sales amount to more than $3,000 a year and therefore Marina does not have the small manufacturers' license. Incidentally, while on that point I hope the minister will do something about the $3,000 limit on a small manufacturers' license. That should have gone out the window ten years ago because the limitation of $3,000 for total output in a year is ridiculous. It was ridiculous ten years ago and now is even more so. These outlets to which I am referring are not for private gain. The proceeds are strictly for the benefit of the handicapped persons whose goods go through these shops. The staff is comprised primarily of volunteers.

However, the goods handled by these outlets are subject to sales tax. There is much correspondence on file relative to this. I have written to the minister, to his predecessor and to others in respect of this particular type of operation. As I have said, there is much to be done in respect of this particular item. If the minister wants to do an efficient job in respect of handling these sheltered workshops, he should clarify the situation in respect of these "rehab" societies as well as organizations such as the Institute for the Research and Training of the Physically and Mentally Handicapped. This institute was originally started through the Edmonton Foundation for the Mentally Retarded. It developed as an offshoot from the Winnifred Stewart School for the Mentally Retarded. Through participation of the province of Alberta, also grants from the government of Canada, and much private help, this major research and training institution for the physically handicapped was established. I have been there. They do a great deal of printing, monotonous and repetitious work. However, this is exclusively for the training of mentally handicapped persons and so on.

This is a program for the development of human resources. I cannot make a strong enough plea for assistance in respect of this particular type of program. We have all sorts of development programs concerning agricultural land, resources and so on, but what do we actually do for the totality of human resources in this country? We have educational programs, training programs and retraining programs for all those people who are physically and mentally able. But what do we actually do for so many of

our mentally handicapped people? At one time these people were locked away in a closet. They were placed in institutions by the thousands to live a vegetable-like existence. Society tolerated these people at a minimum level. It was a shame for a family to have a Mongoloid or retarded child in an institution.

Today we have evolved. I have seen the work done in many parts of Canada and by the Winnifred Stewart School. Mrs. Stewart started this school and received help from many people. Her work has been recognized, and is now a member of the Order of Canada. It is surprising what these people can do. When I was a much younger person I saw Mongoloid children whose potential was absolutely zero. But now that has changed. They now know how to readily answer telephones, do printing and all sorts of work. They are great at swimming and bowling, and can lead almost a normal life. We are just entering on the threshold of, shall we say, the development of our total human resources. Not only have we these people, but also the physically handicapped and the aged persons.

So, I make a plea to the minister. One step was taken in the budget of May 1972, a further step was taken in the budget of February 1973, so now let us explore the remaining areas to see whether, either this minister or someone else, in the next budget will take appropriate steps to clear any hurdles from a tax point of view in respect of the development of our human resources.

Mr. Nystrom: Mr. Chairman, I would just like to ask the minister one question without really flogging the point. It is in respect of clause 2(6) which provides for the new exemptions for machinery and apparatus, including wire rope, drilling bits and so on for exploration and mining. I should like to ask whether or not the minister knows offhand how much this exemption will mean in terms of lost revenue to the government. I am interested particularly in view of the Ontario government's increase in the sales tax on home fuels.

Mr. Turner (Ottawa-Carleton): $100,000.

Clause agreed to.

Clauses 3 and 4 agreed to.

The Chairman: Shall the title carry?

Some hon. Members: Agreed.

Title agreed to.

The Chairman: Shall the bill carry?

Some hon. Members: Agreed.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

Mr. Turner (Ottawa-Carleton) moved that the bill be read the third time and do pass.

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

• (1250)

CUSTOMS TARIFF

Hon. John N. Turner (Minister of Finance) moved that Bill C-172, to amend the customs tariff, be read the second time and referred to the Committee of the Whole House.

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

Mr. Turner (Ottawa-Carleton): May I call it one o'clock, Mr. Speaker?

Mr. Deputy Speaker: Is it the pleasure of the House to call it one o'clock?

Some hon. Members: Agreed.

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

At 12.55 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, first I want to thank the House for its co-operation in passing the two prior bills so expeditiously. We are now on the third bill relating to the budgetary matters affecting the 1972 calendar year. Bill C-172 is an act to amend the Customs Tariff.

I think it would be fair to say that the most significant provisions of this bill are those relating to the establishment of a general preferential tariff for imports from developing countries. As I said in my budget speech last May, this measure is Canada's contribution to a global effort to help the developing countries improve their exports to world markets. This broad international initiative, known as the generalized system of preferences, has been endorsed by the United National General Assembly as an important element in the international development strategy for the second United Nations "Development Decade" which began in 1971.

Tariff preferences in favour of developing countries have been under discussion internationally for a number of years, beginning in 1964 at the first United Nations Conference on Trade and Development, UNCTAD. At that time a number of industrialized countries, including Canada and the United States, were not convinced that the creation of tariff preferences was an appropriate way of assisting the industrialization and economic developing countries. It seemed doubtful that the developing countries would obtain much more in the way or real benefits from a new preferential system than they would from continued progress towards trade liberalization on a multilateral or most-favoured-nation basis. Of course, not even the developing countries were under any illusion that tariff preferences would solve all their problems or obviate the need for more conventional forms of development assistance. These countries, and particularly the

Group of "77" in UNCTAD, were nevertheless convinced that tariff preferences offered them the best prospects for achieving better access to foreign markets, and hence increased exports and higher standards of living.

The issue became as much a political one as an enonomic one, and by the time of UNCTAD II in 1968, attitudes had changed to the point where the conference was able to reach unanimous agreement, in principle, to the early establishment of a system of generalized, non-reciprocal and non-discriminatory tariff preferences for the manufactured and semi-manufactured exports of the developing countries. The details of the system were left to be worked out at subsequent meetings and indeed it was not until the fall of 1970 that a mutually acceptable system was agreed upon in UNCTAD. The system in fact consists of a number of different preferential schemes, each reflecting the particular circumstances of the individual preference giving country. A common feature, however, is that they all contain safeguard provisions under which the preferential rates can be withdrawn when imports reach certain levels or threaten injury to domestic producers. Most of these preferential schemes have now been implemented, and indeed Canada and the United States are the only countries that have not brought their schemes into force.

● (1410)

The details of Canada's proposed new preferential tariff are set out in Clause 2 of the bill that is now before the House, but perhaps it would be useful if I were to summarize its main features. First, it will provide for lower tariffs on most manufactured and semi-manufactured goods imported from developing countries. Certain primary products are also covered by the scheme but these are for the most part already duty free on a most-favoured-nation basis and so, of course, there is not the same scope for tariff reductions on them. The tariff reductions for industrial goods are spelled out in subsection (1) of proposed new section 3.1 of the Customs Tariff. Hon. members will note that general preferential tariff rates will be set at two thirds of the most-favoured-nation rate or at the level of the present British preferential rate, whichever is lower. This will mean free entry under many tariff items. It also means that the general preferential tariff will go a long way towards eliminating the discrimination that has existed in our tariff treatment of developing countries as between those that are members of the Commonwealth and those that are not.

Second, there will be tariff reductions on a selected list of agricultural products. These are set out in the schedule to subsection (3) of proposed new section 3.1 of the Customs Tariff.

A third feature of the new preferential system is the "safeguard" clause which will authorize the governor in council to withdraw the benefits of the general preferential tariff in particular cases. This will be used to deal with any case where imports at preferential rates cause or threaten market disruption or injury to Canadian producers. It is the government's intention to use this authority to exclude from the preferential system at the outset a limited number of sensitive products—mainly textile products for which we have negotiated export restraints or which have been placed under import control. When the legislation is proclaimed, a complete list of the products to be excluded on this basis will be published by order in council.

[Mr. Turner (Ottawa-Carleton).]

Finally, the bill would authorize the governor in council to decide what countries should be considered to be developing countries for purposes of the new preferential system. Final decisions in this regard have still to be taken but, as a general rule, any country, area or territory entitled to MFN or BP tariff treatment which claims to be a developing country and which receives preferences from other preference-giving countries will be eligible under the Canadian scheme. Of course, we know what countries are eligible for the preferential schemes that have already been implemented.

None of the countries that have implemented their schemes has extended the preferences to all the countries that claim to be developing countries and some beneficiary lists are longer than others. Most of the members of the so-called Group of "77" developing countries, who now apparently number 97, are receiving preferences under the schemes that have been implemented and dependent territories are also eligible for several of them. However, there is considerably less unanimity as to whether the preferences should be extended to such countries as Spain, Portugal, Greece, Turkey, Taiwan, Israel, Bulgaria and Roumania, all of which claim developing country status. Japan is the only donor country that has given preferences to all these countries.

It is of course difficult to estimate the volume of trade that will be affected by the Canadian scheme. If the preferences were extended to the 88 countries of the Group of "77" who are entitled to BP or MFN treatment, as well as to dependent territories, it is estimated that there would be tariff reductions on around $160 million worth of imports. This estimate is based on 1971 import statistics and does not, of course, include imports from Commonwealth developing countries under those tariff items where the general preferential tariff rate will be equal to the current BP rate. If this figure appears small, it should be borne in mind that close to 70 per cent of our imports from developing countries are already free of duty.

There are three other amendments I should like to mention at this time. The first relates to two textile items in the schedule to the Bill. The British preferential rate for rubber coated woven cord tire fabric under item 56235-1 is increased from free to the 12½ per cent rate which applies under the most-favoured-nation tariff. The duty on knit goods from Britain is increased from a net rate of 18 per cent to 25 per cent under tariff item 56805-1. Both these proposed increases follow upon the implementation by Britain on January 1, 1972 of increased rates of duty on cotton textiles from Canada. These Canadian goods were previously entitled to free entry. The tariff increases which have been the subject of negotiations with the British government were intended to restore the balance of concessions with Britain.

The second change arises out of a Tariff Board decision in May, 1971 on an appeal relating to tariff item 69605-1. This item provides for free entry of certain goods for the use of religious and educational institutions. As a result of the Tariff Board decision, the coverage of the item was considerably reduced. The amendment to item 69605-1 will restore its scope to approximately what it was formerly.

The third change is also the result of a Tariff Board ruling on an appeal. The Board held that live yeast in granular form should be dutiable at an MFN rate lower than had been levied by the Department of National Revenue under tariff items which provided for "compressed yeast". Representations were received from Canadian producers of yeast stating that the Board's decision would have a serious impact on their operations. On the other hand, it was argued that the previous rates were too high. The proposed item 3600-1 will provide for a 12½ per cent MFN rate on live yeast, irrespective of the form in which it is imported.

Those are the main features in terms of importance of the bill and, certainly, when we come to the clause-by-clause analysis in committee I will be glad to expend upon that.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the minister having made a fairly detailed explanation of a fairly short customs budgetary amendment, I do not think it is necessary for me to dwell at length on the contents of this bill or on the principles involved in its presentation and consideration. I will repeat what I said when Bill C-171 was considered. It is anti-climactic to deal with this particular bill now. It is 11 months since the budgetary proposals were made. At least half the members of this House have never heard of them, and I suppose most of the others have more or less forgotten what the minister proposed. Actually, I do not suppose anybody in this House outside of a small handful have ever known of a class of tariffs known as General Preferential Tariffs.

The minister indicated that there is to be considerable relief for some of the developing countries. I am not too sure about that suggestion, especially when I look at clause 2 which establishes the general preferential tariff. Subclause (2) of Clause 2 reads in part:

> The following goods are excluded from the application of subsection (1):
>
> (a) the goods enumerated in any of the tariff items in Groups I, II, III, IV and VI of Schedule A . . .

I have before me most of the customs Tariff and the five groups that come under Schedule A comprise the bulk of the tariff. Some exceptions are noted; one is a classical one. Let me refer to the first one that comes under item No. 1210-1, which appears under Part I. Why we are maintaining tariff protection with regard to this item I do not know. It is listed as "sausage casings, synthetic, of paper" and there is a 10 per cent and 15 per cent tariff on that. Somehow we have decided that we cannot import these types of sausage casings free of charge. We cannot extend to them the benefits of the general preferential tariff. There are other things that appear in the tariff, and I know some are of greater strategical importance than others. One sees, on examining this, that there is a reduction to zero under the general preferential tariff with regard to a number of things that one associates with, shall we say, developing countries. Sometimes Canada, for certain purposes, decides that it is a developing country. In terms of our relationship with the United States and our capital requirements, we seem to think we are a developing country.

● (1420)

The free entry of such things as chicory, pepper, cloves, cinnamon, ginger, spices, and spices, nutmegs and mace, nutmegs and mace ground, ground mustard, rice meal, sago and tapioca, fruits and nuts, preserved ginger and coconut loom very large. They have been reduced to zero. Frankly, that is because the rate that would be left would only be 1.5 per cent or 2 per cent. Even unstemmed and stemmed Turkish tobacco comes in at zero rate under the general preferential tariffs. Be that as it may, we do not have much more to say about these changes. We will have a great deal more to say when we are considering the proposals the minister made in February which will affect the horticultural industry and a number of other industries in this country. The sooner we have that bill before us and are able to discuss and clarify the matter, the better off we will be in this country. I do not know whether the minister puts this measure in the same category as some of the very touchy income tax subjects. At the moment, I think he is handling them with 10 foot or 20 foot poles. Which is it? The minister remains discreetly silent.

Mr. Knowles (Winnipeg North Centre): Are 20 foot poles tariff free?

Mr. Lambert (Edmonton West): At the present time, the clarifying items are of very little concern. One point we may hear more about is the adjustment vis-à-vis the British preferential tariff arising out of Britain's entry into the common market and Britain's necessary adjustment within that framework. When Britain removes certain preferential tariffs on Canadian commodities, it is only fair to expect that we will do the same. In many ways, I regret this. Lower rates mean a great deal. While events have changed, in many ways we are being left behind in this move. With Britain joining the European common market, we in Canada are standing aloof.

Reports from Europe indicate that the president of Mexico is having a considerable impact on the common market members in so far as Mexico is concerned in this issue. Mexico is in much the same position as Canada, only on the other side of the United States. However, the North American continent is a particular zone, merely three countries in so far as trading is concerned.

Canada should be endeavouring to present a very high profile in Europe vis-à-vis the common market countries today. No matter how good our ambassadors may be, they are still diplomatic representatives. This calls for the highest possible level of representation by Canadians, perhaps a full fledged policy tour this year by the Prime Minister (Mr. Trudeau) of Canada, whoever he may be. The matter of trade relations with our European counterparts should be very seriously considered. There are no two ways about this; it has to be done. If I were to make this suggestion to the minister, I am sure he would admit that he doubts very much that the Prime Minister of Canada would be received in France with open arms at this stage, but something has to be done. The necessary steps must be taken to remove some of the underbrush, thaw some of the ice that exists and remove some of the slick patches on which people have slipped in the past. In so far as my advice to my leader is concerned, it would be and is that

Canada's presence at the very top level must be made in Europe.

This may be a bit removed from customs tariffs, but it is related to our trade relations with our partners. As a result of Britain's entry into the common market, we will be in an unsettled period for five, eight or 10 years. We should not sit in the reeds moaning and groaning or run to London or Paris cap in hand to beg for special consideration for a special position. If it takes the necessary steps at the top level, Canada will be in a position to broaden its trade. We need positive action. No one is going to help us. We have to help ourselves. The only way to do that is to go out and state our case. People in Europe are interested in trading with Canada, not merely for sentimental reasons, and we are interested in trading with them, not just for sentimental reasons, but because it is good for business. It is good for the economies of their country and ours.

That is all I want to say at this stage of the bill. When the next tariff bill is before us, we will have considerably more to say.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, speaking on behalf of my colleagues in the New Democratic Party, we are very pleased to see a trend toward lower tariffs. It has been a long standing position of our party, that not only Canada, but the world should be moving towards less restricted trade patterns. It is natural that we in this party should be concerned about lower tariffs because of the large contingent of members from British Columbia and Saskatchewan who never cease to remind the caucus of the grievances of the western provinces.

Some hon. Members: Hear, hear!

Mr. Saltsman: As Your Honour will notice, a couple of western members have been appointed to keep their eye on me so that I will say the right things.

It is important that a country like Canada move in a direction of freer trade for two reasons. First, we have to be competitive in the world. The sooner we come to grips with competition around the world, the healthier it will be for our economy. Second, from the viewpoint of national unity, we must take into account the grievances of the Canadian west. It is important to have the tariffs removed as expeditiously as possible. For a long time the west has felt that while tariffs may have served to promote the so-called industries of Canada, they have continued long past the point of the infant in swaddling clothes. For those reasons, we are generally in support of the proposals in this bill.

I am particularly glad that our country is taking this position. When we look around in the world, we see that our neighbour to the south is moving in the opposite direction. Every indication is that the United States is going to be more restrictive in terms of its trade pattern rather than less restrictive. While Japan does not operate the tariff system as a restrictive system, the effect is as great or greater than if it had high tariffs. I wish I were as sanguine about the possibility of getting into the European Common Market as is the hon. member for Edmonton West (Mr. Lambert). The Common Market was set up under conditions which make it very difficult for other

countries to participate. In some ways, tariffs are becoming less important than they were as an indicator of the movement of goods. There are other kinds of restriction imposed on the free passage of commodities. For example, in recent years we have seen countries contriving to keep the value of their currency unnaturally low. Today, this is of more significance than tariffs. In Japan, difficulties are obviously put in the way of imports. They are not spelled out, they are not obvious, but somehow or other nobody can meet the right person in order to reach an agreement. So, as we look round the world, despite diminished tariff restrictions there are still many obstacles in the way of the free movement of goods from one country to another.

● (1430)

It is popular at the moment to talk about wage and price controls as a means of reducing prices to the consumer. There is very little evidence to support the contention that this would indeed be the effect. But there is evidence to show that the consumer could be helped by the removal of some of the tariff restrictions which presently exist. This help goes beyond the mere saving of the amount of money which the government forgos by way of revenue. He is helped because goods entering Canada free of tariff produce a situation which calls for competitive action in our own marketplace and helps keep the price of goods produced in Canada at a low level. Thus, excise tax reductions would have a greater effect on prices than some of the suggestions which have been made in favour of wage and price controls.

Having said this, I will admit there are dangers facing us as we lower tariffs—dangers the government should take into account. If the government continues, as in the past, to encourage the export of raw materials, non-renewable resources, energy supplies and so on, it will be doing a terrible disservice to the nation. A reduction in tariffs could become a menace, for if we continue to export large supplies of raw materials and energy resources, and the value of our dollar rises as a consequence, the entire trade pattern of imports into Canada will be distorted. It is, therefore, of enormous importance that, in conjunction with tariff reductions, the government should ration in one way or another the export of raw materials and energy supplies. If this is not done, the value of our dollar will rise and a double threat against our industry will develop. If anything, our dollar is over-valued now, for the very reason that we have exported unfinished goods too extensively. In some ways all this has little to do with tariffs, yet it is a necessary part of state policy if we are to fight the dangers which could flow from tariff reductions. There are benefits attaching to tariff reductions, but there are also dangers.

The proposals now before us may constitute one of the most significant parts of the budget as an indicator of the way this country is going. Tax reductions and exemptions are very important, it is true, and I do not want in any to detract from their importance. But as an indicator of the direction in which Canada is going these tariff reductions are even more important. I hope we shall see continued reductions in tariffs. I also hope the government will take counter action to make sure that the value of our dollar does not rise too high as a result of our exporting unfinished goods.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I listened closely to the minister's statement on Bill C-172 announcing a reduction in customs tariff that will apply to developing countries.

Mr. Speaker, on behalf of my party, I say that we are fully support this bill precisely because while protecting the interests of the producers it will certainly meet the wishes of the consumers in that we have found three ways of helping less fortunate countries.

We can help them by granting them interest-free loans. We do this fairly regularly every year. When those loans are granted through new credits from the Bank of Canada we are very happy because they do not affect the worker, industry, or the consumer; they are merely new credits intended to help developing countries.

Secondly, we help them by granting them interest-free loans on money taken out of the budget of Canada. In that case, Mr. Speaker, it is a matter of greater concern to Canadians, because it would mean lending their tax money without interest to developed countries. It is to a good end, but the means are rather coude when you consider what has happened in the last few years. On one occasion, for example, we realized that we did not have enough money to lend to a certain underdeveloped country—which I will not name here, but all hon. members will recognize it. And so we had to borrow $25 million at 8 per cent, to lend to the underdeveloped country without interest for 60 years. That is really smart, Mr. Speaker! But is has happened here, in Parliament: we borrow money abroad for no-interest loans to countries we want to help.

I am very pleased about the hon. minister's announcement this afternoon, because I think that the best way to help the underdeveloped countries is not just to reduce our customs tariffs by two thirds, but to abolish them altogether, so that these countries can trade with ours, to the benefit of the whole of Canada, and especially to that of the consumer.

● (1440)

It is well known that some customs duties double the price of food products coming from those countries. If the consumer could buy imported products at half price, I think he would be very happy about it. When the committee on trends in food prices carried out its study, we observed that high customs barriers were one of the major causes of the high prices of imported foods. They sometimes increase food prices by 20, 25 or 30 per cent.

Mr. Speaker, this is a fine opportunity for the minister to abolish them completely, on a trial basis.

The minister says that we can trade with 77 countries. It would be possible to eliminate all customs duties; the minister has announced that they would be reduced by two thirds. I argue that these countries could be exempted from all customs duties on food, fruit, and meat. I shall say a few words about it later on.

I suggest that these would mean a healthy competition for our Canadian producers without doing them any harm. Of course this will not come about. If the consumer does not want any competition on the pretent that we are going to protect our industries and Canadian producers, what will happen to a product unable to be fairly competitive? It is allowed to enter our country, but its price will be doubled or tripled in order to protect producers. But who is paying, Mr. Speaker? It is always the consumer. We are going to protect 100, 125 or 200 people at the expense of 20 million Canadians. It is to this point that I wish to draw the minister's attention and even encourage him to entirely eliminate customs duties in our relations with these countries.

As far as the protection of our industries is concerned, I believe that the list which is proposed here, especially as regards agricultural products, is very reasonable. There may be a few farmers will wonder about. I am referring to canned meat. I cannot say for sure, but I think that most of these products, according to a serious analysis, are not competing with similar Canadian products.

Once more, if the minister allows these products to enter our country, as I said earlier, this will serve the consumers' interests. A little earlier, I heard the previous speaker deal with the British preferential tariff. I do not know to what extent England benefits from the preferential tariff, but as far as I know, England is not an underdeveloped country.

That is why I am trying to find out what countries are involved. There was a mention of Spain, Portugal and so on. The main analysis will be made at this stage and I fail to understand, like the previous speaker, that it is normal to forever extend the preferential tariff to England and never to France.

If it is normal, it is a quite irregular normal thing.

Once again, I do not wish to discuss this further. I only wish to beg the minister to push a little further ahead and not to fear to deal with developping countries. This would be a good occasion for Canada to do something for them and to sell our products. Besides, this will prevent Canada from granting them interest-free loans for a 60-year period, when we have to pay 8 per cent interest on the money used for interest-free loans to them.

[*English*]

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I should like to rise in support of the measures that are before us, particularly since these changes in our customs tariff will assist parts of the world that are greatly in need, not simply of material aid but of this kind of help. We have moved to a time in our relationship with the developing countries when we should give priority to trade rather than aid, as understood in the sense that was appropriate a generation ago.

The move the government is making through the proposals in this bill is one that I think will receive support from both sides of the House as well as throughout the country. We are part of one world and we want to express this fact in our economic policies as in other things, particularly at this time when we think of the call of some of our spiritual communions and leaders throughout the country for ten days of development. This is a political measure which I think can be taken as a positive response to that summons. One of the best ways we can help developing countries in the world is by giving those countries the opportunity to trade with those who can be their customers.

But we have to think about another side of the coin as well, and that is the way in which the administration of our customs and tariff policies bear upon Canadian business and Canadian working people. This afternoon I want to focus the attention of the House precisely, though briefly, upon one aspect of this, namely the way in which our so-called duty free stores along the border of Canada are administered. I believe they are administered in ways which are injurious to Canadian business and particularly to the gift industry.

We have several of these duty free stores in Canada, chiefly at international airports though also at two seaports. The way in which these stores are administered prevents the sale of many manufactures, particularly the products of the gift industry. Representations have been made by members of that industry to the government over the year, and at times members of the industry have been persuaded that they were being listened to by the government—I think better listened to than this debate is being listened to by the government. Companies participating in the gift industry have still not seen any positive action or remedies taken by the government. Therefore, I am disappointed that the proposals of the government for tariff and excise reform will not, as far as I can see, make any provision for solving the problem to which I have referred. If we were to open up our duty free stores to Canadian manufacturers, particularly to products of our gift industry, we would be increasing the possibility of their development and increasing job opportunities in Canada, because one of the most labour intensified parts of our economy is the tourist industry. With the gift industry dove-tailing into that, the House can readily see how this could be beneficial in helping to solve our unemployment problems.

● (1450)

I would very earnestly suggest that the government listen with renewed seriousness to the appeal of the gift industry throughout Canada that steps be taken to open up our duty-free shops so more Canadian manufacturers can avail themselves of them. I hope as well that they can be opened at more of our border crossing points; that is the kind of duty-free store to which I have referred. At the present time they are located almost exclusively at international airports, yet there is a tremendous amount of tourist traffic across the border by car, by bus and by railroad.

I think the government would be doing more to help Canadian business, the Canadian economy and working people if it took a positive step in this direction. This is not in contradiction to the kind of ideal to which I referred in my opening remarks, also referred to by the minister. The more we can do to stimulate Canadian business, the more we can do to help strengthen our own economy, the better position we are in to reach out a helping hand to other parts of the world.

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

The Chairman: Order. The House in committee on Bill C-172, to amend the customs tariff.

Shall Clause 1 carry?

[Mr. Stackhouse.]

Some hon. Members: Agreed.

Clause agreed to.

On Clause 2—*General Preferential Tariff.*

Mr. Lambert (Edmonton West): Mr. Chairman, I should like to say a word or two only about paragraph (b) appearing at the top of page 6. In dealing with regulations, may I again make a plea that we do not use general terms such as "prescribing anything that is to be prescribed by regulations". Parliament does not give carte blanche. All I can say is that perhaps now with the committee on statutory instruments we will be able to watch this situation much more closely. Frankly, this is merely the tip of the iceberg when provisions are described in that way. I do not know how often this has to be repeated, but the drafters of the administration must come up with something that is less general, less accommodating and less free wheeling than these provisions.

Clause agreed to.

The Chairman: Shall the schedule to Clause 2 which is found on pages 3 and 4 carry?

Some hon. Members: Carried.

Schedule to Clause 2 agreed to.

Clauses 3 to 5 inclusive agreed to.

The Chairman: Shall the schedule to Clause 5 as found at pages 8 and 9 carry?

Some hon. Members: Carried.

Schedule to Clause 5 agreed to.

Title agreed to.

The Chairman: Shall the bill carry?

Some hon. Members: Agreed.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time?

Mr. Lambert (Edmonton West): By leave, now.

Mr. Turner (Ottawa-Carleton) moved that the bill be read the third time and do pass.

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

* * *

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

Hon. John N. Turner (Minister of Finance) moved that Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railways

Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, first I should like to thank the Minister of Finance (Mr. Turner) for having given me the responsibility of piloting this bill in the House and I wish to assure him that I will do my best to have it passed in the shortest possible time. Mr. Speaker, bills on financing and guarantee were tabled every year with the exception of the 1963 bill which applied to 1962-63 and that of 1966 which applied to 1965-66 as well as this one which applies to 1972-73. Hon. members will remember that the 1971 bill—which included certain provisions for 1971 and 1972—had not been read for the second time when the twenty-eighth Parliament was dissolved. This bill brings back those provisions.

This bill for 1973 is basically the same as those for previous years. It sets out in a concised form the capital expenditures of the Canadian National Railway Company for 1973 as outlined in its capital budget for that year which amounts to $225,500,000. This bill also authorizes the company to make expenditures not exceeding $75 million between January 1 and July 1, 1974 for the purpose of discharging obligations incurred prior to January 1, 1974, and to enter into contracts prior to July 1, 1974 for capital expenditures not exceeding $167,500,000 that become due and payable after 1973. These expenditures and commitments are according to the investment budget of the company for 1973.

The bill aims at fulfilling six major objectives most of whom have already been similarly outlined in the previous bills on financing and guaranteed.

First, the bill includes provisions allowing the Canadian National Railways Company to borrow up to $21 million to finance the construction of sidings. This amount includes the financing of sidings more than 20 miles long whose construction is authorized by a special act, as well as the financing of tracks less than 20 miles long whose construction does not require any authority under a special act. By including all sidings, this provision reflects the intention of taking into account, in the bill on the financing and guarantee, all the funds that the Canadian National Railways Company may require.

Second, the bill provides for the Department of Finance to continue purchasing Canadian National preferred shares bearing interest at 4 per cent during 1972 and until the end of calendar year 1973. This provision perpetuates the practice established by former financing and guarantee, legislation. The 1970 act postponed to December 31, 1971 the expiry date of the authorization granted by the 1952 Canadian National Railways Capital Revision Act for the purchase of such shares to the extent of 3 per cent of the company's gross income.

Third, as in former years, the bill authorizes the government to extend temporary advances to Canadian National and Air Canada in order to meet operating income deficit for the period of January 1, 1973 to June 30, 1974. These advances will be reimbursed later on in the year from company income. Should such income prove insufficient, the outstanding balance will be met through deficit appropriation by parliament.

[*English*]

● (1500)

Fourth, the bill contains an option similar to that contained in the 1970 Canadian National Railways Financing and Guarantee Act which would enable Air Canada to borrow $140 million during the period January 1, 1973, to June 30, 1974, either directly from Her Majesty or by means of a guaranteed public issue. It would also renew the authority for the Minister of Finance to guarantee debentures amounting to £13 million to be issued in the period May 1, 1972, to December 31, 1976, by Air Canada in accordance with contractual obligations assumed by the airline prior to July 1, 1972.

Fifth, the bill contains a section to increase to $1 billion the limit on the amount of substituted securities that may be issued by the CNR in respect of any refunding pursuant to provisions of the Canadian National Railways Refunding Act, 1955. The financing and guarantee act of 1964 raised that ceiling to $680 million. The further increase of $320 million proposed in this bill would make adequate provision should a decision be taken by the CNR to replace with longer term financing the temporary government loans authorized under section 7 of the 1955 refunding act.

Sixth, and finally, the bill would provide, under section 14, for the appointment of auditors for the years 1972, 1973 and 1974.

[*Translation*]

In closing, Mr. Speaker, I should like to call your attention to a proposal for a change in the policy relative to appointment of auditors.

Since auditing the books of the CNR and Air Canada represents considerable work, the government came to the conclusion that this work should not be entrusted to a single firm of auditors, to the exclusion of all others. The government considers rather that this job should be periodically assigned on a rotation basis to large Canadian auditing firms. Thus new method and approaches would come to bear on the operation of these two companies which, according to the government, would be beneficial for all concerned.

If the policy of rotating auditors were adopted, we should have to study carefully the frequency of the rotation. Evidently, the duration of the assignment should not be too short, because, otherwise, the auditors would hardly have enough time to familiarize themselves with the operations of the company and the intricacies of its accounting system, not to mention the special accounting requirements of the Canadian Transport Commission.

On the other hand, the long-term appointments made in the past covered far too long periods. Consequently, it was agreed that a five to six years' appointment would be an acceptable compromise. the first year and the last year to be overlapping periods during which two auditing firms would be hired. That way, during the overlapping period, the incoming auditor for a new term could progressively take over the work of the outgoing auditor, ensuring the necessary continuity of auditing. Section 14 of the bill deals with that situation.

In conclusion, I should like to add that the government intends, every five or six years, to recommend to parliament rotation of the independent auditors.

[*English*]

Mr. Charles H. Thomas (Moncton): Mr. Speaker, once again parliament is faced with a bill which purports to ask parliamentary approval for moneys used in financing Canadian National Railways and Air Canada. Before I come to my main remarks I should like to refer briefly to some of the comments the parliamentary secretary just made. He started by asking that parliament adopt this bill as quickly as possible. When we dig into the bill and the circumstances behind it, I can well understand why the government would like to have it passed as quickly as possible and thereby put an embarrassing piece of legislation where it perhaps belongs, under the rug. I say to the minister there is no real urgency to pass this bill. There was no urgency last year to pass it; the government in effect ignored it. This bill provides for expenditures to the end of June, 1974. Therefore, I for one will not be beguiled by the government's plea of great urgency in respect of passage of this bill.

The government has many questions to answer before we on this side of the House would agree to grant it the amount of money involved in a bill such as this. I have not totalled the amounts but I believe they run close to $1 billion. I know $1 billion does not mean much to the government, but in talking of an amount of money of this size I feel it is incumbent on the opposition to examine very closely what kind of monkeyshine has been going on here.

The parliamentary secretary said this bill takes up where the last one left off. We know better than that. It does not take up where the last one left off. The last bill of this kind which passed through this House was the 1970 financing bill. That is the only piece of legislation we have had. Certainly this bill does not take up where that one left off. As a matter of fact, it does not even take up where the aborted Bill C-4 left off, because there is a six months' lapse there which is not included in this bill.

When I first looked at Bill C-164, my immediate reaction was that it was the usual financing bill with the same old wording, and there were no changes except perhaps slight ones in respect of the amounts required. I read the bill through and could not find too many changes until I went back to the preamble. Suddenly the meat of the whole thing struck me. It is in the preamble, which say that Bill C-164 is—

● (1510)

An act to authorize the provision of moneys . . . for the period from the 1st day of January, 1973, to the 30th day of June, 1974—

My first reaction on reading those words was that obviously there was a misprint, that it must be intended to be from the 1st day of January, 1971. However, I checked the bill throughout and found that in every place where there was any reference to dates, the same dates appeared. Obviously, the government's drafters are not so stupid as to have made such drafting errors; therefore, the government is asking us now to approve appropriations for the CNR when for the last two years, we have not approved any.

[Mr. Comtois.]

In my remarks last year on Bill C-4 I described the debate on that bill as an exercise in futility. Had I known then what was going to happen, I would have used much stronger language. This is much more than an exercise in futility. It is a downright, deliberate degradation of the rights of parliament to bring in such a bill.

Some hon. Members: Hear, hear!

Mr. Thomas (Moncton): I think the government wants to forget about Bill C-4, but I do not believe we can discuss Bill C-164 properly unless we discuss it in the context of Bill C-4. Bill C-4 was never enacted. It was introduced in the last session of the last parliament. It was entitled "Canadian National Railways Financing and Guarantee Act, 1971". It is rather interesting that the parliamentary secretary made only a casual, fleeting reference to Bill C-4, but he dealt at length with the financing bill of 1970. He probably did that because the financing bill of 1970 was the last bill to give this government any right to appropriate moneys.

Ever since parliament passed that bill, the government has either been breaking the law or circumventing it in such a way as to destroy the rights of parliament to control the spending of money. Whether this was a deliberate attempt to have the cabinet gradually take over all control of spending, or whether it was just a continuation of the slipshod handling of legislation which we saw in the last parliament, is not for me to judge. But the fact remains that this government is continuing the practice which was developed in the last parliament and continued now in many areas. It is an attempt to take away the control of money bills from parliament, where such control rightly belong, and give it to the government and treasury board.

This bill is a crude attempt to fool us into believing that the control of the purse-strings still rests with us. It is a crude attempt to hide the fact that this government is deliberately eroding the right of parliament to control moneys. It is a desperate attempt to camouflage what has been going on ever since this government came into office. There are many examples of this type of action that I could refer to, but I will not go into them now. They have been the subject of debate in this House. My colleague, the hon. member for Yukon (Mr. Nielsen) has mentioned some of them.

I should like to refer briefly to glaring examples of the type of procedure this government is following. One, of course, is the famous Polymer fiasco where the government asked parliament to give approval to action which they had taken without even letting parliament see the annual report or the audited statements of the company in question. It was interesting to hear the minister state at the time that since Polymer was losing money, the government would bail it out. But it was much more interesting shortly thereafter, when the audited statements of Polymer came out, to see that instead of losing money the company was showing an increase in profit.

The second glaring example was the horrible fiasco created in the Unemployment Insurance Commission's accounts. We all know what happened there and I will not dwell on it. I have spoken on it before. Here, again, is a deliberate attempt by the government to do by subterfuge

what they could not do by law. This bill wants us to approve expenditures past and future for two Crown corporations, and in neither case do we have either an audited statement or an annual report.

Some hon. members are businessmen and a good many of them are lawyers. I ask them a simple question: What would happen if they, as directors of or legal advisers to corporations, were faced with a request from the board of directors to appropriate, say, $1 million dollars and they were not given an annual report as to what had happened the year before, or an audited statement? This government asks us to do something we certainly would not do in our own businesses. We are being asked now to approve a large amount of money for these two corporations, but we have neither their annual report nor their audited statements. We do not know what has been done with the money that was granted previously.

After I read the preamble to this bill I wondered what had happened in the two previous years. If these companies need the money to operate—and we know the government always had to bail both of them out so they could at least meet their loan payments—where did they get the money with which to operate? As I remember, in other years we were told the same as we were told today, that there was a great deal of urgency and that if we did not pass the bill the CNR would not be able to meet their payroll, would not be able to buy new equipment, and Air Canada would not be able to buy new aircraft. We were told we had to pass the bill otherwise the wheels of these two great corporations would stop turning.

Therefore I began to investigate where these two corporations got the money to keep them going in 1971 and 1972. This is why I went back to Bill C-4 and reviewed what had happened. Bill C-4 covered the financing period from January 1, 1971, to June 30, 1972. The summary of events is very interesting in light of recent statements by the Prime Minister (Mr. Trudeau) and others on the government side that the opposition has been holding up the business of the House. Here is a classic example of a government with an absolute majority which nevertheless refused to bring in legislation, for what reason we do not know. They refused to allow the legislation to proceed through to passage. When you read the history, it seems there was something about which the government were so embarrassed that they did not dare bring the bill back.

The bill received first reading on February 21, 1972. It came back for second reading on March 6, 1972. On April 21 the debate on second reading was adjourned. The government never again brought the bill before parliament during the life of the last parliament. The annual report and audited statements of the CNR were not tabled by the then minister of transport until May 11. This may be just a coincidence, but it was after the government had cut off proceedings on April 21.

● (1520)

The Air Canada report and audit were tabled only on April 17, four days before the bill died effectively on the order paper. On June 21 the hon. member for Crowfoot (Mr. Horner), as reported at page 3348 of *Hansard*, asked the then minister of transport to have the government refer these two reports of CN and Air Canada to the Standing Committee on Transport and Communications. The minister replied that such action was for the government House leader to determine, but that he had no objection. The government never made any reference to the committee. This was a bill, we were told at that time—just as we are told today about Bill C-164—that was a matter of some urgency, and we would have to get the bill through the House or these two Crown agencies could not operate because their funds would dry up. But that bill died at the end of that session.

In this session, Bill C-164 was introduced on March 19 of this year. This bill, as the parliamentary secretary has outlined, relates to the financing period from January 1, 1973, to June 30, 1974. I emphasize those dates because they carry a great deal of significance. The only retroactive provision with respect to the year 1972 appears to be in clause 13, but this is not clarified in the explanatory note. I will deal with clause 13 a little later in my remarks, but I would point out to the House now that it has to do with the appointment of auditors. I have been involved in business a little, Mr. Speaker, and never have I heard a board of directors ask for the appointment of auditors after the year has elapsed. The normal thing is to appoint auditors before the year begins. Here we are being asked to appoint them retroactively to January 1, 1972.

With all this time lapse, we have had no bill on CNR financing since the 1970 bill was passed; and the government has not yet tabled the annual report and audit of the CN for 1972. This is why I want to refer to clause 13. Maybe there is a reason for that. Who were the auditors? By what authority did they act? Maybe this is why we cannot get the CN annual report. The annual report and audit of the CN have not been tabled here, but the government did table the CN operating and capital budgets for the calendar year 1972. However, this was done only on February 28, 1973, although the government had approved these budgets on August 28, 1972, by order in council P.C. 1972/1865.

What is the situation with respect to the present bill? We have a period covering CNR and Air Canada financing from January 1, 1971, to June 30, 1974—three and a half years—with a six months' hiatus that extends from July 1, 1972, to December 31, 1972, that was covered in the previous bill. I am not saying that is included in this bill; I am saying that in that three and a half years period there is six months from January 1, 1971, to June 30, 1972, in which apparently nothing happened. It was included in the previous bill, but then there is another six-month period from July, 1972, to December, 1972, that does not appear anywhere. It was not in the old bill and it is not in this bill.

Where did the CN and Air Canada get their money during that six-month period? Personally, I am not going to heed the parliamentary secretary's appeal to rush this bill through the House, because I want answers to these questions. Again the House is asked to consider Bill C-164 with a gun held to its head by the government because approval of this bill is approval, in part, of capital and operating expenditures of public funds which have already been spent or committed without approval of parliament.

If it was not obvious before, it is now clear beyond doubt that the annual CNR financing bill is an exercise in

futility, a waste of time and an affront to the House. It is also obvious that the financial affairs of the CNR and Air Canada are controlled by the government, and by the government alone. The annual financing bill is simply a mockery to delude the public and its representatives in this House that they control the public's two greatest and most vital public utilities. Anybody who has sat on committees and spoken to officials of Air Canada and CNR has sensed the feeling of smug superiority and contempt that they hold for parliament because they know we have no power.

It does not matter how much we cry or beg, the decisions, legal or otherwise, are made by the government. This is what is taking place. Presumably the key to the government's financial control is contained in section 30 of the Canadian National Railways Act, chapter C-10 of the 1970 Revised Statutes, and the Air Canada Act, chapter A-11 of the 1970 Revised Statutes. Section 30 of the CNR act provides:

the National company may also borrow upon its notes or securities or the notes or securities of any such other company—

That is, any other company comprised in the CNR system.

—whether for its own benefit or for the benefit of such other company or otherwise.

In section 13(3) of the Air Canada Act there is provision that the CNR may lend money to Air Canada. There was something interesting about this that I suddenly discovered on reading the auditor's report to parliament for the year ended December 31, 1971. It was an item under the heading "Long-term Debt." On January 1, 1972, a $100 million debenture matured and a promissory note in the same amount was issued to the Minister of Finance to pay for it. When I read that I started to wonder what kind of financing was taking place. It seemed the CNR needed $100 million to retire these debentures held by the government so it said to the government, "We will give you a promissory note for $100 million." We have no way of knowing about this until we see the annual report and audited statements of the CNR.

In essence, the CNR has only to give the government a promissory note for whatever hundred of millions of dollars of taxpayers' money that it wants; and if Air Canada wants money also, it can include that sum in the amount on the face of the promissory note. The result is that the government gains control over the operations of CNR and Air Canada. The real board of directors of both corporations then becomes the cabinet. And, of course, that cabinet control is immeasurably strengthened when the president of the Canadian Transport Commission is invariably a former member of the government. It goes right down the line and you cannot get away from it. But what does the CNR act say about budgets? Section 37(1) reads as follows:

The annual budget of National Railways shall be under the control of the board of directors and shall be submitted by the board of directors to the Minister of Transport.

(2) The Minister of Transport shall annually lay before parliament the budget of National Railways approved by the governor in council on the recommendation of the Minister of Transport and the Minister of Finance.

(3) The annual budget of National Railways shall include estimates of the amounts required

[Mr. Thomas (Moncton).]

(a) for income deficits,

(b) for capital expenditures,

(c) for refunding or retirement of maturing securities, and

(d) for additional working capital.

I suppose the government can say that it fulfilled this provision, that it laid the budget on the table of this House. But there it died. Parliament had nothing to do about either refusing or giving consent to these expenditures of moneys which amount to some $1 billion every year.

● (1530)

Considering these facts, one cannot help wondering at the realistic cynicism of the government in deliberately letting the CNR financing bill die on the order paper in the last parliament, in withholding the annual report while the second reading debate was going on in this House, in refusing to refer the reports of CNR and Air Canada to the appropriate committee of this House, and in perpetuating this empty farce of presenting a bill before the House for second reading while withholding from the House the 1972 annual report and audited statements of both corporations.

What does the Railway Act say about the annual report? Section 39(1) of the Railway Act provides:

The board of directors shall make a report annually to parliament setting forth the results of their operations—

And so on. It goes on to say what they shall do. They are to set forth—

—the results of their operations, the amounts expended on capital account in respect of National Railways and such other information as appears to them to be of public interest or necessary for the information of parliament with relation to any situation existing at the time of such report.

No matter how you read that section, there is a definite commitment on cabinet and on the board of directors of the company to submit these reports to parliament for approval. This the government has refused to do. That shows contempt for parliament and contempt for the people of Canada. The government has made only one mistake—perhaps I wrong the government; perhaps it is not a mistake—it has shown contempt for the laws of Canada as enacted by parliament. Section 38(1) of the act provides:

A continuous audit of the accounts of National Railways shall be made by independent auditors appointed annually by Parliament who shall annually report to parliament in respect of their audit.

The same provision is made in section 12 of the Air Canada Act with respect to Air Canada. It provides:

The accounts and financial transactions of the corporation shall be audited by the auditor appointed by parliament—

Then come these significant words:

—to audit the accounts of the Canadian National Railways.

The law, as written by parliament, stipulates that the CNR auditors and, necessarily, those of Air Canada must be appointed each year by parliament. Let us go back to clause 13.

Mr. Knowles (Winnipeg North Centre): Clause 14.

Mr. Thomas (Moncton): Clause 14; I am sorry. The number is immaterial; it is the government's actions that disturb us. In the financing bill of last year, a little clause was sneaked in which provided that the firm of Peat, Marwick, Mitchell & Co., of the city of Toronto, be appointed as independent auditors to make a continuous audit of the accounts for the year 1972. I ask, how was an audit carried out? Has an audit been carried out, and what happened?

An hon. Member: Were the auditors paid?

Mr. Thomas (Moncton): I imagine they were paid.

An hon. Member: How were they paid?

Mr. Thomas (Moncton): Well, perhaps these promissory notes mean something.

An hon. Member: Should they be paid?

Mr. Thomas (Moncton): That may be more to the point. Should the government be allowed to get away with this skulduggery? The law, as written by parliament, spells out that a firm of auditors must be appointed each year by parliament. The government paid no heed to that; they did not lay the legislation before us in that regard. Their refusal so to do shows their arrogance, their contempt for this House and for the people of Canada. Further, they show contempt for the board of directors of Air Canada and the board of directors of Canadian National Railways. The government asks us to pass the bill before us as quickly as possible; I am beginning to understand why it wants it passed without discussion.

In clause 14(2) of the present bill we find this language:

For the purpose of carrying out the audit described in subsection (1), the following firms of chartered acccounts are appointed as independent auditors:

Get this, Mr. Speaker:

(a) for the year 1972, the firm of Peat, Marwick, Mitchell & Co., of the cities of Toronto and Montreal—

I ask, what kind of business practice do we see here, in which directors go to the shareholders and ask them to appoint auditors retroactively? What continuing records are to be used? Where are the auditors to start? Where are they to find the necessary records? As I say, how are they to make an audit? Is that why there is no CNR Annual report and no audited statement? That is what I have asked myself, and I have not found the answer. I hope answers will be forthcoming, for the government's sake. It compounds the confusion and the crime by saying, "Oh, but we have discovered an answer. We will tell parliament that the system of appointing the same auditors year after year is not a good one; we have to spread the business around a little." I am not implying why it would want to spread the business around; I do not know.

An hon. Member: Perhaps Ben has something to do with it.

Mr. Thomas (Moncton): The government appointed one firm of auditors for last year, it has appointed two firms for this year, and another firm for 1974.

Mr. Knowles (Winnipeg North Centre): It appointed both firms for 1973, and one of them for 1974.

Mr. Thomas (Moncton): I see that the firm of Peat, Marwick, Mitchell & Co. is appointed for 1972 and also for 1973, and in 1974 the firm of Cooper & Lybrand is appointed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker—

Mr. Speaker: Is the hon. member for Winnipeg North Centre (Mr. Knowles) rising to declare his personal interest?

Mr. Knowles (Winnipeg North Centre): I have a personal interest in hearing the hon. member tell the House precisely what is in the clause to which he is referring. He will note that for 1973 two firms of auditors are named; there is one firm named for 1972, and one firm named for 1974.

Mr. Thomas (Moncton): I am sorry; I did not quite hear what the hon. member said. I will not embarrass the government any more. How far can you go in heaping ridicule on their heads? Here we have one firm appointed for 1972. That firm, with another firm, has been appointed for 1973. From the way this government has been extorting revenue from the taxpayer, I suppose it can afford to hire three or four firms, although I do not think that we as members of the House should authorize it.

I think I have made the point I have been trying to make. Normally, in debates such as this people talk about the debts of the CNR. It seems that the debts of Air Canada are almost in the same category as those of the CNR because many of the things you can say about the operation of the CNR can be applied to the operation of Air Canada. If I had time to make further remarks I would make it clear that I am not as critical of the CNR and Air Canada as I am of the government which refuses to enunciate and formulate a national transportation policy year after year. I raised this subject last year with the president of Air Canada and he complained bitterly that the Minister of Transport (Mr. Marchand) would not tell him on what basis the airline should be operated, whether in the public interest or for profit. I was interested to read a report in the *Financial Post* to the effect that Mr. Pratt, who I believe was chairman of the board, was waiting for the minister to take action, and now he is at the point of throwing up his hands and taking off for sunnier climes.

I have said some of the things I wanted to say. I know that my colleagues will not neglect the CNR in this debate; neither will they ignore Air Canada, the company which is rapidly taking over the position of CNR and which may be instrumental in getting CNR off the hook. Air Canada seems to be doing its best to downgrade service in the field of passenger accommodation, in service in the air and on the ground, and is reducing flights to the minimum permissible. It is doing its best to get the CNR off the hook. I believe that my colleagues and others who will follow me in the debate will express somewhat less than satisfaction with the operations of CN and Air Canada.

Mr. Knowles (Winnipeg North Centre): And the CPR.

Mr. Thomas (Moncton): My final remarks are these. Despite the government's urging us to pass this bill as quickly as possible, so that we will not find out what is in it, I say that so far as I am concerned I will be happy to consider the bill in committee where we can call witnesses and receive answers to our questions. Until we get those answers I will not be prepared to heed the urging of the parliamentary secretary to process this bill through the House as quickly as possible.

● (1540)

Mr. Bill Knight (Assiniboia): Mr. Speaker, I participate in this debate because of the significance of this financing bill in terms of the operations of Canadian National Railways and Air Canada, the spending in terms of the overall effect of transportation in this country, how it affects many regions, particularly the west and the Maritimes and how important transportation is to the development of a strong Canadian nation.

The hon. member for Moncton (Mr. Thomas) raised a number of questions of great interest. They can be summed up by asking the parliamentary secretary, or possibly the Minister of Finance (Mr. Turner), one simple question: How did CNR and Air Canada do their financing in 1971 and 1972? That seems to sum up the remarks of the hon. member for Moncton which I believe to be appropriate.

When this bill comes before parliament it gives members an opportunity to review the question of transportation as it affects this country from one end to the other. I hope that members of the government will espouse and outline some aspects of the policy that is needed in the area of national transportation. Further to this, so many ministers of the Crown have their fingers in the pie of transportation that if we were to try to load them all on a streetcar, we would have to hire an additional one to carry them.

I hope the minister in charge of the Canadian Wheat Board will outline how the Canada Grains Council is operating and who is financing it. I hope the Minister of Transport (Mr. Marchand) will outline his area of jurisdiction and tell us what changes we can expect in the area of freight rates and in developing a co-ordinated transportation policy. Also, I hope he will outline the policy related to the development of harbours at the port of Churchill and other places.

The Minister of Finance, who moves this bill every year, ought to outline some of the changes in financing the CNR and Air Canada, and with regard to the CNR debt which occurred as a result of buying-out the Mackenzie and Mann railway, thus getting a private interest out of hock, in the early twenties. The Canadian people have been paying for it ever since.

I hope that within the confines of this debate the Minister of National Health and Welfare (Mr. Lalonde) will reflect upon the pension situation of retired railroaders and the question of collective agreements which date back to 1956. Perhaps he has an opinion on this matter and will use his good offices to try to bring about an improvement in the situation of retired railroad pensioners.

Debate on the financing of CNR and Air Canada is an annual event. During these debates there is considerable objection raised to certain aspects of the national transportation policy or the fact that one does not seem to exist. The Minister of Transport was formerly in charge of the Department of Regional Economic Expansion. I am sure he is well aware of the problems of developing those regions in this country which are at an economic disadvantage in relation to the golden horseshoe of Ontario. As he was formerly in charge of DREE, he should be aware of the effect of freight rates in terms of the kind of growth that is needed in the west, in the Maritimes and in northern Ontario.

The Minister of Regional Economic Expansion (Mr. Jamieson) sat for several years as minister of transport. He ought to be aware of the effect of freight rates and transportation upon regional development. These two ministers should be able to co-ordinate a program to alleviate the difficulties in terms of developing a program to end regional disparity. With their vast experience, they should be able to come up with a policy that has some teeth in it to develop the various regions of this country on a basis equal to the golden horseshoe of Ontario.

I wish to deal with a number of points which are significant to this bill. As stated previously by my colleagues, the whole question of allocating certain moneys in relation to the CNR debt, which relates back to the time the Mackenzie and Mann railroad was purchased to get Liberal promoters and developers off the hook, needs revision. There was some change in the relationship of the debt several years ago. There is further need to take this debt off the back of Canadian National Railways. I hope the government will give consideration to this question within the realm of this bill.

Some things are very aggravating to those of us who come from western Canada, northern Ontario and the Maritimes. I refer to the national transportation policy and the disgusting inequity in the freight rates structure. There is no greater burden on western development than the freight rates structure which was initially set up to protect the developing manufacturing industries in southern Ontario. That freight rates structure has been with us ever since. We have lived with the burden of freight rates at the same time as we have lived with the burden of tariffs.

In the Speech from the Throne the government outlined its concern for meeting the discrimination against western Canada in the area of transportation. They have set up a western premiers' conference for July to deal with western economic problems. One fundamental question they must tackle is that of freight rates. I wish to quote some figures to indicate how freight rates affect western Canada. I first wish to deal with commodities purchased from the east. On goods shipped from Contrecoeur, Quebec, to Vancouver, the revenue for the railroads is $1.02 per ton-mile. If the same commodity is shipped to Regina, the revenue per ton-mile is $2.55. On goods shipped from Quebec to Saskatoon, the revenue per ton-mile is $2.59.

Looking at the other side, the rail revenue per ton-mile for eastern steel products terminating at Vancouver is $1.02. The rail revenue per ton-mile to Regina is $2.55. There is a 150 per cent increase in revenue for goods moving to Regina compared with those being moved to

Vancouver. In relation to Saskatoon, the increase amounts to 154 per cent. At this point I would refer to an editorial which appeared in the *Globe and Mail* of April 11 on the question of western freight rates. This is a further example of the discrimination we face. It reads:

● (1550)

Rapeseed, which is grown in Alberta, can be shipped raw from Lethbridge to Montreal for 81 cents per 100 lbs; but if it is processed into oil and meal it cost $1.22 per hundred pounds to ship the product to Montreal. Alberta would like to know if there is a cost relationship between the differing rates for the raw and processed product—which it suspects there isn't—or if the railways are setting industrial policy through their rates. The railways refuse to give any cost-relationship information. All this has so annoyed Alberta that it has produced its own transportation policy, covering air—international as well as domestic—highway and rail.

Similar moves have taken place in Saskatchewan and Manitoba. If we are really concerned about national unity, certain important elements in our economic make-up must be fundamentally changed. One of these is freight rates. In the constituency of Assiniboia, with which I am most familiar, we ship our basic commodity, wheat, by rail. Branch lines were built to provide this service. Out of all the rail lines in the constituency, 605 miles of track are scheduled for abandonment by the CN or by the CP. Situated along those lines is elevator capacity sufficient to hold 11.5 million bushels of grain. These elevators are to be closed down. In past years, an average of 22.5 million bushels of grain has been carried over those tracks. In future, this grain would have to be moved by truck. More than 5,100 producers in the constituency would be affected by the removal of these tracks. Every dirt road and municipal road would be affected. Tax losses to municipalities would amount to between 50 and 60 per cent of their total revenue.

The bill before us offers an opportunity to deal with the question of national transportation policy. If the government allows the wholesale abandonment of rail lines in western Canada, it will be carrying an enormous burden of responsibility. I draw attention to the fact that producers living near those lines have been offered no concrete alternative means of moving their grain. We are hopeful that in the course of this debate the minister will be able to give us an undertaking that the final decision to abandon these lines will be deferred beyond the 1975 date originally determined. Certainly, there is the odd branch line which may have to be shut down. I wish hon. members could see a map of my constituency. If these lines are shut down, there will be hardly any left; it will create a gap some 50 miles by 75 miles in extent in the middle of the riding. This is where the greatest burden will fall if services are discontinued in a wholesale manner.

I see I have only about one minute left, and there are a number of questions which I intend to address to the minister and which, I trust, will be answered. If I might be allowed to call it four o'clock, I shall continue next week.

BUSINESS OF THE HOUSE

Mr. MacLean: On a point of order, Mr. Speaker. I wonder whether there is a minister present who can confirm that we shall be continuing this debate on Monday and tell us what item is to follow.

Mr. Drury: In the ordinary course of events we would be continuing this discussion, but whether we continue or not on Monday will depend to some extent on the probable length of the debate. Over the weekend we shall try to discover what the possibilities are.

The Acting Speaker (Mr. Boulanger): Order. It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper.

Mr. Reid: Mr. Speaker, I believe that on April 10 there was agreement that the bill standing in the name of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) would be brought forward today. We are prepared to debate that bill. It would require an order of the House to change the subject matter for the day from notices of motions to private members' public bills.

Mr. Knowles (Winnipeg North Centre): Agreed.

The Acting Speaker (Mr. Boulanger): Is the House agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

HARBOUR COMMISSIONS ACT

MEASURE TO PROVIDE THAT REPRESENTATIVE OF MUNICIPALITIES SERVE ON NANAIMO HARBOUR COMMISSION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands) moved that Bill C-21, to amend the Harbour Commissions Act (Nanaimo Harbour Commission) be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, in rising to move that Bill C-21 be given second reading and sent to the Standing Committee on Transport and Communications, I have two purposes in mind. The first is to provide for local representation on the Nanaimo Harbour Commission. Section 4(1) of the Harbour Commissions Act provides that a harbour commission shall consist of not less than three and not more than five members. Section 5(1) provides that there shall be one representative from the local municipality and, if there is more than one local municipality, that a second representative shall be on the commission.

● (1600)

In the case of the Nanaimo Harbour Commission there are only three commissioners, two appointed by the gover-

nor in council and one by the city of Nanaimo. The two representatives appointed by the governor in council are the chairman and a second member who is also the solicitor for the commission. But there is no representative from the adjoining municipalities, despite the fact that the act provides for this.

The provision of the bill which I am now asking the House to approve and to send to the Standing Committee on Transport and Communications asks that it be made mandatory to have five members on the Nanaimo Harbour Commission, three of whom would be appointed by the governor in council, one to be appointed by the city of Nanaimo and one by the regional district board.

Some hon. members may ask, why this insistence upon local representation on the harbour commission? I suggest that there can be no intelligent planning of harbour facilities unless the local authorities have an effective voice in determining the course to be followed, the location of streets and access roads, the effect upon the shoreline of any expansion of the harbour facilities, and in the matter of traffic control. All of these are of direct concern to the local authorities. Therefore, unless the harbour commission works in conjunction with the elected representatives of the local council, the result will be chaos.

There has been an example of this kind of lack of consultation and co-ordination in the Nanaimo harbour commission's operations recently. In March of last year the Nanaimo harbour commission made public a program costing some $10 million for a large extension of the harbour facilities. After this program had been announced, the city of Nanaimo's advisory planning commission looked into the matter and registered their objection to the location. The regional district board also looked into this matter and expressed their dissatisfaction with the location. Groups of interested citizens, for a variety of reasons, also expressed their opposition to the location that had been selected and some of the Indians of No. 1 Indian reserve were quite upset about the proposals.

In addition to that, the Department of the Environment expressed some concern. Some of the departmental officials stated in correspondence which I have that they had not been consulted. I have no way of knowing whether or not that is true, but the department and certain conservation groups were disturbed about the fact that the extension of the harbour facilities was going to block off part of the estuary of the Nanaimo River. The department was also concerned about dredging and backfilling and the effect this would have on marine and wildlife in the area.

The result was that the Minister of the Environment (Mr. Davis) managed to get a stay of proceedings and appointed a task force to look into this matter. I am not familiar with the report of the task force, but I do know that as a result of its report the Minister of Transport (Mr. Marchand) referred the whole matter to the Canada Ports and Harbours Planning Committee. I commend the minister for agreeing to have this committee hold public hearings in the city of Nanaimo on January 25, at which time various groups expressed their opinions. I think it is safe to say, having looked over the briefs, that the majority of them thought this matter should be investigated further.

I have a press release dated April 10 in which the Minister of Transport said that as a result of the report of the planning committee he has decided to accept their recommendation for an in-depth study of this harbour development. It is expected that this study, which will be conducted by specialists from the Department of Transport, the Department of the Environment, the Department of Urban Affairs and the Department of Public Works, will report before the end of this year.

I cite these facts, Mr. Speaker, in order to point out that lack of co-ordination and consultation prior to a project being launched can cause a great deal of difficulty in a community. It seems to me that there is need for making mandatory provision that there be adequate representation on the Nanaimo Harbour Commission—and I think this ought to apply to all commissions—from local governing bodies. This is why I have introduced Bill C-21.

My second reason for introducing this bill is that I hope the Standing Committee on Transport and Communications will give some thought to making recommendations to the Minister of Transport regarding a complete revision of the Harbour Commissions Act. In the years that I have been in this House, I have noted that members with ports in their constituencies have repeatedly expressed dissatisfaction with the Harbour Commissions Act as being archaic and undemocratic. Successive ministers of transport have said that new legislation was being considered, but so far nothing has been done to correct a situation that in my opinion is becoming intolerable.

I have a press release dated March 27, issued by the Minister of Transport, in which he says that the National Ports Council has been asked to make recommendations regarding a revision of the Harbour Commissions Act. That is perfectly proper. These men have the expertise to deal with the technical and engineering aspects of the ports. But engineering is only part of the problem; the people of the community and those planning the affairs of the community are equally important.

I hope the Standing Committee on Transport and Communications will take a look at the whole act to see whether or not there is provision in it for co-ordinated effort between the different departments of government, local authorities and harbour commissions.

I am not finding fault with any particular harbour commission or with any particular group of men. What I am saying is that there is a deficiency in the act itself in that there is failure to provide the machinery for adequate consultation and co-ordination.

● (1610)

The establishment of port authorities has grown up like Topsy—small bodies of men clothed with immense power and responsibility, controlled only by the Minister of Transport. These commissions have the power to buy, sell or lease property. They have power to expropriate land and borrow money, only subject to the approval of the Minister of Transport. Each harbour commission proceeds in its own way. Some do better than others, but they have autocratic powers which are at variance with the whole principle of participatory democracy.

The Harbour Commissions Act sets up little autocracies with wide powers subject only to the government granting them funds for capital expansion and guidelines set forth by the Minister of Transport through regulations. Other-

wise they can proceed to carry out developments which may be good or bad, which may coincide with local planning authorities or conflict with them. I submit that no other group has such sweeping powers.

There is no provision for co-ordination with other departments of government. The government has very wisely, but belatedly, set up the Canada Ports and Harbours Planning Committee, but this only provides for an input by federal departments and their agencies. It does nothing to ensure joint planning and consultation with local authorities.

I suggest that not only local authorities but local people have a right to be consulted if the harbour commission is proposing extensive projects which could have far reaching effects upon the community. The right to know and be heard is fundamental to democratic government. This act ought to provide for public hearings so that citizens' groups will be able to place their views before the harbour commission, not after the plans are completed and the project is begun but in the planning stage and before final decisions have been made.

At the present time the harbour commissions, provincial governments and local governing bodies are all making plans concerning the same people and the same areas; there is no provision in the legislation to provide joint planning and full consultation between the three levels of government. The Minister of Transport cannot be expected to supervise all these harbour commissions adequately. His department receives their applications for capital funds to extend harbour facilities, and if his officials are satisfied as to the need for expansion and the engineering feasibility of the project, it is approved—without any meaningful input by the people most vitally affected, namely, the people who live in the immediate vicinity of the port.

I submit, Sir, that the day is past when the public will stand for this kind of arbitrary administration of their affairs. From the government's own standpoint it should welcome the participation and co-operation of the local governing bodies and interested citizens' groups. By requiring full disclosure of information and by permitting an input from the people most concerned, the government will get better plans and more co-ordinated projects. At the same time, this will make for finer communities and more satisfied citizens.

Therefore, Mr. Speaker, I ask the House to pass this motion and give second reading to Bill C-21, in the hope that it will provide for local representation on the Nanaimo Harbour Commission. I would urge that as an ancillary benefit the committee give some thought to making recommendations to the minister for a general review of the Harbour Commissions Act so that the legislation will help to promote better co-ordination, better consultation and a more democratic way of carrying on the business of operating harbours in Canada.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I enter this debate rather belatedly, but I am delighted to support the proposals in this measure put forward by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), my neighbour to the north.

In this day of growing government and government involvement more and more in the private affairs of people, it seems to me there is an increasing need to broaden representation on commissions such as the one at issue at the moment. The basis of the amendment proposed by the hon. member is to increase the number of commissioners from three to five. He has suggested a number of amendments to the act which I think are most appropriate.

There is no harbour commission within my constituency, but there is one in the neighbouring constituency to the south, the riding of Victoria. There is, of course, a harbour commission in that city with powers which extend to the inner harbour. I have had some experience with smaller harbours within my constituency and know something of the problems encountered by the municipality and people living in the area. First of all, and this happened only about a month ago, an attempt was made by the municipality in which the harbour, or bay, was located to conclude a lease over a wharf in the harbour to be used for multiple purposes. Basically, it is a federal wharf. This question involves the Government Harbours and Piers Act because these are related acts. This is a government wharf provided for the community. Many people living in the community of Sidney, at the north end of the Saanich peninsula, are fishermen; but in that area there is also a great tourist industry.

We receive many sports craft from Vancouver, from further up the inland passage and, of course, from our neighbour to the south, coming up through Puget Sound, the Strait of Georgia, Hecate Strait and beyond. Frequently they occupy wharf space in this area. The municipality was anxious to ensure that prime space at this wharf was accorded those who live in the community and for whom this facility had been provided.

The community ran up against a snag in concluding the lease, in not being sure that the wharf engineer, who is appointed by the Minister of Transport, had the power to conclude the lease or whether he just had the power to collect the parking fees, if you like, at the wharf. They wanted more than that; they wanted to apply more regulations than were actually applied and they wanted to be sure that the wharf engineer would have the power to apply them.

● (1620)

I believe it was a question of misunderstanding, which I was able to help clear up. Now I believe it will work satisfactorily. The fishermen who live in that area will have the pride of having representation on the board. The sportsmen in the area will be able to come to the wharf. They must pay their fees. I gather the fees previously had been collected rather indefinitely for a time. This emphasizes to everybody in that small inlet the need even for fishermen, perhaps, to be represented on commissions in the case of a fishermen's harbour.

The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) mentioned environmentalists. It seems to me that the act he criticized, I suppose just through the passage of time, has failed to take into account some of the new interests and concerns of the Canadian people. When fishermen or sportsmen come alongside, there is a tenden-

cy to pump out the bilges of their boats and to throw out their garbage. This should not occur. The commission should have the power to prevent it occurring.

It seems to me there is a real problem and there should be on the board the representative of an environmental interest, be it a local representative of the Department of the Environment or a local body concerned with the environment, to ensure that the law is properly observed and that the harbour is kept in proper order and clean for the public. Perhaps one of the members should be drawn from marina operators, sportsmen or harbour people, depending on the use to which the particular harbour, bay or wharf is devoted.

Sometimes representatives of tourism, if you like, representatives of fishermen and of environmental interests have their part to play in the commissions which are established. I note, for example, that the law as it now stands makes provision for the council to have a representative on the commission. I quite agree that the citizens of these communities ought to be represented. However, there is also the question of functional representation about which I have made a plea.

There is another example in an area which to some extent is a boundary link between my constituency and the constituency of Victoria. It is known in Victoria as "the gorge". It is a long, deep inlet of the sea. It is subject to the tides. It brings pollution from the sea into the narrows. There is a narrows through which one must travel; it is barely half the width of this room. There was a time when people could swim in the gorge. That time has now passed. I have asked people why it is that they no longer swim there. The obvious answer is, because of pollution from industries that have been established around the port of Victoria. This matter is being dealt with. The municipality and the harbour commission are working hand in hand, sometimes in the same direction and sometimes in conflict.

I agree that there should be greater provision in the act for regular consultation and also community consultation. The other matter in respect of the gorge is that some of the effluent is carried out to sea. The people who towed me through the gorge are a constituted group concerned with restoring the gorge to its earlier purity. People of this type would be happy to serve on the commission. They told me about the conflict in respect of jurisdiction between the province, the municipality and the federal authorities. How far up into the gorge does the federal authority extend? This has never been very clear. Should the day ever come when Esquimalt harbour could receive civil ships, it would deserve to come under a jurisdiction with the broadest possible base of consultation. Today, however, it is under the jurisdiction of the Department of National Defence.

I am happy, Mr. Speaker, to support the purpose of the bill to increase the number of commissioners on the Nanaimo Harbour Commission, because it leads the way to further developments, to another study of the basic act so that it might be broadened to take into account the new interests, the new concerns and the new worries of our people.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, first I should like, through you, to say it is always a pleasure to listen to the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). I agree wholeheartedly with the comments he made pertaining to possible amendments to the Harbour Commissions Act. I believe this is a matter of concern not only to that area but other areas. If a change is to be made, and I hope it will, it should include all harbour commissions across our nation; it should embrace them all.

Several hon. members have indicated their interest in this particular field. I could possibly name several but I shall not do so. I am tempted to do so, however. Instead, I will say that the government has no objection to the hon. member's Bill C-21, which primarily is concerned with the administration of the Nanaimo Harbour Commission. We feel, however, that this bill should be recognized by the House as an interim measure. We feel it should be an interim measure because the National Ports Council, which includes representation from the harbour commissions, the National Harbours Board and all the provinces, is now reviewing the structure of all Canadian ports and harbours with a view to making recommendations on new, streamlined mechanisms for the administration of these facilities. We think it is vital to have an input from the provinces and these organizations, and because of this the House should recognize the necessity of this bill being only an interim measure.

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

Mr. Reid: Mr. Speaker, in recognition of the unusually productive day we have had, I think there might be consent to rise.

Mr. Bell: This is agreeable to us.

The Acting Speaker (Mr. Boulanger): Order. The hour for the consideration of private members' business has now expired.

At 4.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 16, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

AIRPORTS

PICKERING TOWNSHIP SITE—COMMISSION OF INQUIRY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Harney (Scarborough West): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact it was announced over two months ago that there would be an inquiry into the expropriations in connection with the second Toronto international airport, and in view of the fact that the expropriations will take place before this House reconvenes in May, I move, seconded by the hon. member for Toronto-Lakeshore (Mr. Grier):

That this House instruct the Minister of Transport to announce before the House rises on Wednesday both the membership and the terms of reference of the Commission of Inquiry to look into the planning and transportation needs of the Toronto region in relation to the construction of the proposed international airport in Pickering.

Mr. Speaker: The motion requires unanimous consent under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

APPLICATION OF SECTION 106 OF ACT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, pursuant to Standing Order 43, I solicit the unanimous consent of the House to present a motion on a matter or urgent and pressing necessity for applicants for unemployment insurance benefits.

Considering that Section 106 of the Unemployment Insurance Act has not been implemented as promised when the act was considered in 1971 and that officials of the commission seek to trip up applicants instead of attempting to assist them to return to the labour market, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the Minister of Manpower and Immigration take necessary measures for implementation of Section 106 of the Unemployment Insurance Act as early as possible.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There does not seem to be unanimity and the motion therefore cannot be put.

* * *

[*English*]

JUDGES ACT

PROVISION OF ADDITIONAL JUDGES FOR CERTAIN COURTS

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill C-177, to amend the Judges Act.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

OPPORTUNITIES FOR YOUTH GRANTS IN PEEL SOUTH CONSTITUENCY, 1972

Question No. 278—**Mr. Blenkarn:**

1. What grants were made under Opportunity for Youth Program during 1972 to groups in the constituency of Peel South?

2. What are the names and addresses of each group and the names and addresses of each sponsor of each group that received approved grants in 1972?

3. What are the names and addresses of each group and the sponsor of each group that made application for Opportunity for Youth grant programs during 1972 that did not receive any assistance under this program?

4. What is the evaluation on the grants that were in fact made by the Minister's office in connection with the operation of those grants and the work supposedly done by the persons involved with these grants during 1972 in the constituency of Peel South?

5. Who made the evaluation for the grants during 1972 in the constituency of Peel South?

Order Paper Questions

6. Has the Minister any audited statements of the grants made in the constituency of Peel South during 1972 and are audited statements of these grants now available?

Hon. James Hugh Faulkner (Secretary of State): 1. A list of all projects funded under the 1972 Opportunities for Youth Program has been completed. Projects are classified by province and in alphabetical order of the towns and cities in which the projects were carried out, not by constituency. Information includes the project title and number, a short description of the project's activities, amount of the grant, number of participants and the name and address of the project representative. This 421 page listing can be obtained from the Secretary of State Department.

2. Projects funded under the 1972 Opportunities for Youth Program were not required to have sponsors.

3. No tabulated records exist for projects which were not selected for funding under the Opportunities for Youth Program during 1972.

4 and 5. All groups receiving a grant from the Opportunities for Youth Program in 1972 were required to submit an evaluation of their own projects at the end of the summer. All project evaluations were reviewed by officials in the Department of the Secretary of State but are not classified according to constituency.

6. Opportunities for Youth does not maintain statistics or information according to constituency. In 1972, the Audit Services Bureau of the Department of Supply and Services did audits on all Opportunities for Youth projects which received grants in amounts exceeding $15,000 and also on a random sample of the remaining projects. In all, approximately 700 audits were completed. The information contained in the audits is of a private and confidential nature and is not to be regarded as public or official.

EXPORT OF JET AND PISTON ENGINES TO SOUTH AFRICA

Question No. 407—**Mr. Wagner:**

1. Does Canada export any piston engines or parts for piston engines to South Africa?

2. Does Canada export any jet engines or parts for jet engines to South Africa?

3. Does Canada supply any of the parts for the jet trainers (The Impala) now being built by South Africa?

4. Does Canada have any means of ensuring that airplane parts exported to South Africa are not used in the manufacture of military aircraft?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Yes, for commercial use only.

2. Yes, for commercial use only.

3. No.

4. Yes, through denial of export permits for aircraft parts used in the manufacture of military aircraft.

EMPLOYMENT OF FEMALES IN THE PUBLIC SERVICE

Question No. 507—**Mr. Forrestall:** (Supplementary)

How many females are employed under the Public Service Employment Act currently earning in excess of $25,999 per annum (a) what are their names (b) what are their positions?

[Mr. Blenkarn.]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. Twenty-four.

(a)	(b)
Department of External Affairs	
Miss B. Meagher	Ambassador to Stockholm
Miss H. D. Burwash	Associate Director—Scientific Relations and Environmental Problems
Miss M. McPherson	Director, UN Political and Institutional Affairs Division.
Department of Justice	
Mrs. Eileen Mitchell Thomas, Q.C.	Counsel II
Miss Edyth MacDonald, Q.C.	Counsel II
Miss Norma Christie, Q.C.	Counsel II
Miss Elizabeth A. McFadyen	Director, Edmonton Regional Office
Department of Manpower and Immigration	
Mrs. Jean Edmonds	Director General, Prairie Region Operations Division
Department of National Health and Welfare	
Dr. Marie J. Ferrari	Medical Officer 1
Dr. Mary E. Habgood	Medical Officer 3
Dr. Dorothy L. Hall	Medical Officer 1
Dr. Harriet F. Lettau	Medical Officer 3
Dr. Martha C. Mally	Medical Officer 2
Dr. Madelaine Maykut	Medical Officer 2
Dr. Monique Savoie	Medical Officer 5
Dr. Caroline P. Scott	Medical Officer 3
Dr. Wilma G. Steward	Medical Officer 3
Privy Council Office	
Miss P. A. McDougall	Assistant Secretary to the Cabinet (Government Operations)
Statistics Canada	
Miss Jennie Podoluk	Director, Consumer Finance Research Staff
Department of Veterans Affairs	
Dr. A. A. Bratjakin	Medical Specialist (Medicine), Ste. Anne's Hospital, Ste. Anne de Bellevue
Dr. E. D. Gardner	Psychiatrist, Westminster Hospital, London, Ont.
Dr. J. A. K. MacDonell	Senior Treatment Medical Officer, Deer Lodge Hospital, Winnipeg
Dr. M. Oesterreicher	Specialist in Chest Medicine, Ste. Anne's Hospital, Ste. Anne de Bellevue
Dr. E. Pollonetsky	In charge of Prisoner of War Claims, Canada Pension Commission, Ottawa

OPPORTUNITIES FOR YOUTH GRANTS IN SAINT-HYACINTHE CONSTITUENCY, 1972

Question No. 564—**Mr. Wagner:**

1. What Opportunities for Youth Program grants were paid to associations in the constituency of Saint-Hyacinthe in 1972?

2. What were the names and addresses of each association and sponsors?

3. What were the names and addresses of each association and sponsors who did not receive a grant?

4. What study did the Minister's office make of the grants paid in 1972 in the constituency of Saint-Hyacinthe as to their effective utilization?

5. Who evaluated the grants received?

6. Does the department have any verified statements of accounts for these grants and are they available?

Hon. James Hugh Faulkner (Secretary of State): 1. A list of all projects funded under the 1972 Opportunities for Youth Program has been completed. Projects are classified by province and in alphabetical order of the towns and cities in which the projects were carried out, not by constituency. Information includes the project title and number, a short description of the project's activities, amount of the grant, number of participants and the name and address of the project representative. This 421 page listing can be obtained from the Secretary of State Department.

2. Projects funded under the 1972 Opportunities for Youth Program were not required to have sponsors.

3. No tabulated records exist for projects which were not selected for funding under the Opportunities for Youth Program during 1972.

4 and 5. All groups receiving a grant from the Opportunities for Youth Program in 1972 were required to submit an evaluation of their own projects at the end of the summer. All project evaluations were reviewed by officials in the Department of the Secretary of State but are not classified according to constituency.

6. Opportunities for Youth does not maintain statistics or information according to constituency. In 1972, the Audit Services Bureau of the Department of Supply and Services did audits on all Opportunities for Youth projects which received grants in amounts exceeding $15,000 and also on a random sample of the remaining projects. In all, approximately 700 audits were completed. The information contained in the audits is of a private and confidential nature and is not to be regarded as public or official.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—GRANTS TO FINANCE RESEARCH PROJECTS

Question No. 870—**Mr. Orlikow:**

1. How many applications for grants to finance research projects did the Department of National Health and Welfare receive in the past year?

2. What was the total dollar value of the projects requested from the Department?

3. How many of the applications made to the Department were approved in full?

4. How many of the applications were approved in part only?

5. How many applications for research grants were turned down in the past year?

6. What were the reasons for the refusals?

Hon. Marc Lalonde (Minister of National Health and Welfare): All figures are for 1972-73, under the National Welfare Grants, the National Health Grants and Public Health Research Grants and the Research and Analytical Service Grants: 1. 796.

2. $19,564,790.

3. 382.

4. 123.

5. 291.

6. (a) Does not come within the terms of reference of programs; (b) Does not provide useful information; (c) Projects rejected on methodological grounds that is projects not meeting standards of scientific merit; (d) No national significance; (e) Other various reasons.

NEW MONTREAL INTERNATIONAL AIRPORT

Question No. 1,008—**Mr. Boisvert:**

What studies were made concerning the development of the international airport in the Drummondville area?

Hon. Jean Marchand (Minister of Transport): Drummondville was not one of the many sites studied for the development of the New Montreal International Airport.

EXCLUSION OF PROFESSIONAL EMPLOYEES FROM BENEFITS OF COLLECTIVE BARGAINING

Question No. 1,178—**Mr. Reynolds:**

1. For what reasons were professional employees on the Federal Public Service excluded from the benefits of collective bargaining under Part V of the Canada Labour Code?

2. Is the government giving consideration to amending the Public Service Staff Relations Act to provide professional employees with a meaningful method of settling unresolved disputes?

3. Will the government amend Section 36(1) of PSSRA to eliminate the requirement of the binding notice by the bargaining agent for arbitration or conciliation-strike as the method of bargaining to minimize the advantage it gives Treasury Board and, if not, for what reason?

4. Will the government give consideration to (a) giving the reasons in arbitration awards (b) appointing an employee representative to the arbitration tribunal to have an input into the procedures for arbitration equal to that of the employer and, if not, for what reason?

5. For what reasons (a) are conciliation board decisions not made binding as for arbitration tribunals (b) is there no legal provision requiring further negotiations?

6. For what reasons are public servants denied the same rights as other citizens covered by the Canada Labour Code?

Hon. C. M. Drury (President of the Treasury Board): 1. The Canada Labour Code, Part V does not apply to the Public Service of Canada. Collective bargaining in the federal Public Service is governed by the Public Service Staff Relations Act. Under the P.S.S.R.A. professional employees are not excluded from the benefits of collective bargaining. There are 27 certified bargaining groups in the scientific and professional category of the Public Service of Canada.

2. Yes the government has indicated its intention to improve the method of settling unresolved disputes.

3. Under the P.S.S.R.A. as it now reads, Bargaining Agents unilaterally select the dispute resolution process that will apply to the bargaining unit for each round of negotiations. This is a distinct advantage to the union. The Treasury Board, as Employer, is bound by the Bargaining Agent's selection.

4. (a) Under the P.S.S.R.A. as it now reads, an arbitral award becomes an integral part of a collective agreement. Reasons for the award would be superfluous to such a document; (b) A person representing the interests of the employee sits on every Arbitration Tribunal.

5. (a) In the conciliation process there are no decisions rendered by the Board. Its purpose is to achieve agreement. If there is no agreement it so reports. The Public Service Staff Relations Act provides that after seven days have elapsed from the receipt by the Chairman of the Public Service Staff Relations Board of the report of the Conciliation Board, employees who are included in the dispute may participate in a lawful strike; (b) For the P.S.S.R.A. to provide for further mandatory negotiations after a Conciliation Board Report would suspend the right to strike. In fact, negotiations always do take place after a Conciliation Board Report has been received.

6. In essence the provisions of the statutes which govern employees of the Public Service are generally no less favourable than those contained in the Canada Labour Code.

*NATIONAL HEALTH AND WELFARE—REPRESENTATIONS CONCERNING DANGEROUS LEVEL OF FLUORIDE IN MINERAL WATER

Question No. 1,280—**Mr. Grafftey:**

Has the Minister of National Health and Welfare received representations about the dangerous level of fluoride in mineral water consumed by Canadians and, if so, what action does the government intend to take?

Mr. John M. Reid (Parliamentary Secretary to the President of the Privy Council): Perhaps I might suggest that the answer to Question 1,280 be printed in *Hansard*, since the reply is somewhat lengthy. This might speed up the business of the House.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: The answer to the above question follows:*]

Representations have been made to the Department of National Health and Welfare regarding the levels of fluorides in mineral waters. New standards for mineral water were established by order in council P.C. 1972-3074, December 21, 1972 and published in the *Canada Gazette* of January 10, 1973. However, because of manufacturers' and importers' operational problems, these new standards will not become effective until September 1, 1973. A news release of December 13, 1972 stated that analyses of a limited number of mineral waters carried out by the health, protection branch of the department showed that these products contained from less than one part to more than nine parts per million of fluoride. It was emphasized then that there was no evidence to suggest that the fluoride levels of mineral waters represented an immediate hazard to the health of Canadians. Officials of the department are examining all mineral waters sold in Canada for fluorides, as well as initiating a survey to determine the quantities of this beverage consumed by individuals. When these data become available, action appropriate to the findings will be taken to protect Canadian consumers of this product.

EMIGRATION OF PROFESSIONALS TO UNITED STATES

Question No. 1,467—**Mr. Orlikow:**

How many Canadian scientists, research workers, engineers, university professors, and medical doctors left Canada to work in the United States in the last year?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Canada does not collect any statistics on persons leaving Canada. However, the United States Department of Justice, Immigration Service supplies the occupations of immigrants admitted to the United States whose country of last residence was Canada. Data for 1972 are not available. The following data are for the year ending June 30, 1971. Scientist and research workers are not among the occupations listed by the U.S. Immigrations Service but the following could be included in that category: (Scientists and Research Workers): Agricultural scientist, 16; Biological scientist, 37; Geologist and Geophysicist, 28; Miscellaneous natural scientist, 2; Physicist, 24; Miscellaneous social scientist, 11. Engineers, 622; University professors, 128; Medical doctors (listed as Physicians and Surgeons), 474.

NUMBER OF INDIVIDUALS OBTAINING SOCIAL ASSISTANCE ON A MONTHLY BASIS

Question No. 1,482—**Mr. Hueglin:**

1. How many persons aged (a) 18 (b) 19 (c) 20 obtained social assistance on a monthly basis during the years 1970, 1971 and 1972?

2. How many of those in each category had never been self-supporting prior to the collection of such social assistance?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Provincial governments are responsible for the administration of social assistance programs, and statistical data reported by them do not identify recipients of social assistance by single-year age groups. Hence it is not possible to answer this enquiry at this time.

2. It is not possible to answer this request due to the limitations noted in part 1 above.

NEW HORIZONS PROGRAM

Question No. 1,525—**Mr. Laprise:**

Under the New Horizons Program (a) what projects were submitted as at February 28, 1973 from the constituency of Abitibi (b) what projects were accepted and in each case what was the amount?

Hon. Marc Lalonde (Minister of National Health and Welfare): (a) Projects received from the constituency of Abitibi as of February 28, 1973:

Project No.	Project title	Project official
4-00069	Projet de détente pour l'âge d'or de Malartic	Mme Louise Gagnon C.P. 4110 Malartic Abitibi-Est, Québec
4-00119	Les Personnes Agées	Mme Jeannette Laflamme La Sarre, Québec
4-00223	Perspective—Age d'Or Centre Plein Air	M. Thomas L. St-Pierre 701, rue de la Paix, Malartic, Abitibi, Québec
4-00236	Transport des Vieillards Handicapés	Mme Lionel Lord 791 avenue A Amos, Québec
4-00241	Cours de danse	Mme Gabrielle Saucier R.R. 2, Val d'Or, Abitibi-Est, Québec
4-00251	Club d'Age d'Or	Mme Joseph Bélanger 512, 3e rue est Amos, Québec
4-00281	Association des Pionniers	M. Gaspard Lachapelle 15, rue Mgr Chagnon Cadillac, Québec
4-00388	Serviteur de la 11e Heure	Mme Yvette Desgagnées Val-Paradis Abitibi-Ouest, Québec
4-00034	Club de l'Age d'Or	M. Georges Mercier C.P. 283, Duparquet, Abitibi-Ouest, Québec
4-00120	Les Concitoyens des personnes âgées de Macamic	M. Adélard Letendre Macamic, Québec.

(b) Projects approved as of February 28, 1973

Project No.	Project title	Amount
4-00034	Club de l'Age d'Or	$5,785
4-00120	Les Concitoyens des personnes âgées de Macamic	$4,425

UNITED STATES—CANADA SCHEDULED FLIGHTS, LANDING RIGHTS

Question No. 1,678—**Mr. Munro (Esquimalt-Saanich):**

1. What are the names of United States airline companies exercising landing rights on scheduled flights to Canada?

2. What are the names of Canadian airline companies exercising landing rights on scheduled flights to the United States?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1. United Airlines; Western Airlines; American Airlines; North Central Airlines; Eastern Airlines; Delta; Allegheney; North West Airlines; PAA; TWA; Seaboard World Airways; Hughes Air West; Alaska Airlines; Wien Consolidated Airlines; Bar Harbor Airways; Inland Commuter Airways; Griffing Flying Service.

2. Pacific Western Airlines; Air Canada; Canadian Pacific Airlines; Nordair.

NUMBER OF AIR PASSENGERS LEAVING CANADA

Question No. 1,681—**Mr. Munro (Esquimalt-Saanich):**

1. How many passengers left Canada carried by United States airline companies on scheduled flights to United States airports in 1969, 1970, 1971 and 1972?

2. How many passengers left Canada carried by Canadian airline companies on scheduled flights to United States airports in 1969, 1970, 1971 and 1972?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada

reports that: 1 and 2. The table below shows the number of passengers leaving Canada on scheduled flights to the United States in the years 1969, 1970 and 1971. Data are not yet available for 1972. These data do not include passengers on international flights originating in Canada to a country other than United States where the aircraft does make a stop in the United States but the airline does not have traffic rights between the Canadian and American cities in question.

Number of passengers arriving at Canadian airports on scheduled flights from the United States by Canadian and United States airlines

	1969	1970	1971
1. United States Airlines	1,142,705	1,135,773	1,200,778
2. Canadian Airlines	839,465	914,847	909,260

AIR PASSENGERS ARRIVING IN CANADA

Question No. 1,682—**Mr. Munro (Esquimalt-Saanich):**

1. How many passengers reached Canada carried by United States airline companies on scheduled flights from United States airports arriving at Canadian airports in 1969, 1970, 1971 and 1972?

2. How many passengers reached Canada carried by Canadian airline companies on scheduled flights from United States airports to Canadian airports in 1969, 1970, 1971 and 1972?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1 and 2. The table below shows that number of passengers arriving in Canada on scheduled flights from the United States in the years 1969, 1970 and 1971, aboard Canadian and American airlines. Data are not yet available for 1972. These data do not include passengers on international flights originating from a country other than the United States where the aircraft does make a stop in the United States but the airline does not have traffic rights between the Canadian and American cities in question.

Number of passengers departing Canadian airport on scheduled flights to the United States by Canadian and United States airlines

Carrier	1969	1970	1971
1. United States Airlines	1,146,853	1,135,728	1,197,990
2. Canadian Airlines	818,709	891,281	906,932

LETTER FROM MEMBER FOR LEEDS TO MINISTER OF CONSUMER AND CORPORATE AFFAIRS CONCERNING MEAT PRICES

Question No. 1,694—**Mr. Cossitt:**

1. Did the Minister of Consumer and Corporate Affairs receive a letter dated January 11, 1973 from the Member for Leeds on the subject of meat prices in certain areas and has this letter been answered by the Minister?

2. Was an acknowledgement of this letter made to the Member for Leeds by an Executive Assistant to the Minister and, if so (a) on what date (b) was an answer from the Minister promised in the "near future"?

3. If no answer has been sent by the Minister and if an answer was promised in the near future, what period of time does the Minister consider to be the near future?

4. What is the average length of time for the Minister to answer regular routine mail from Members of Parliament?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. Yes, the Minister of Consumer and Corporate Affairs received a letter dated January 11, 1973. This letter has been answered.

2. Yes. January 18, 1973.

3. Not applicable. Letter sent on March 16.

4. The Minister attempts to respond to mail from Members of Parliament within 10 working days. A reply may take a longer period if that time is required for research purposes. In the case of the letter referred to in part 1, unfortunately a clerical error also contributed to the length of the delay.

POST OFFICE CALENDAR, 1973

Question No. 1,701—**Mr. Masniuk:**

1. Who was responsible for the publication of the 1973 Post Office calendar?

2. For what reason was Dominion Day and other significant religious statutory holidays, such as Good Friday, ignored, and non-statutory holidays more emphasized?

3. Was it the intention of the Post Office not to include these major statutory holidays and, if not, what action has been taken to correct this oversight?

4. Was there a nation-wide tender for the Post Office calendar publication and, if not, for what reason?

5. Was the total cost of the publication $270,000 or were there other costs involved, such as art work etc., which is not included in the total cost?

6. Is the intention of the Postmaster General to issue a Post Office calendar for 1974?

Hon. André Ouellet (Postmaster General): 1. The calendar was sponsored jointly by the Public Affairs and Marketing Branches of the Canada Post Office.

2. The holidays identified were mainly those calling for an exchange of gifts and greetings through the mail. This was done to emphasize the requirements for mailing deadlines.

3. Other holidays could be included should the Post Office decide to produce a 1974 calendar.

4. Tenders were called for printing by the advertising agency, Agence Canadienne de Publicité. The agency chose a local bid because of the tight deadlines set and the requirements for close supervision and quality control.

5. The total cost was $269,866.20.

6. No decision taken yet.

CANADIAN YOUTHS HELD IN PRISONS OUTSIDE CANADA AND THE UNITED STATES

Question No. 1,705—**Mr. Reynolds:**

1. How many Canadian youths are presently being held in prisons outside Canada and the United States?

2. What steps, if any, are being taken to assist these young people in obtaining either release or legal assistance?

3. What is the present status of Mary Howard-Brown, 18 years of age, at last report being held in an Athens prison and have authorities had any success in locating any of her friends or relatives?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. This statistical information is not available to us. There is no obligation on the part of foreign governments to notify the Canadian government when a Canadian citizen is arrested. Although some Canadian citizens detained abroad do contact the nearest Canadian Consular representative for advice and assistance many do not choose to do so.

2. The Canadian government cannot intervene in the normal administration of justice in a foreign country. Upon request Canadian consuls abroad assist Canadian citizens in obtaining legal counsel by providing names and addresses of reputable local lawyers, by contacting relatives and friends on their behalf for financial assistance when required and by advising detainees to apply for free legal aid when funds are unavailable from private sources. Canadian consuls do what they can to ensure Canadians are brought to trial as promptly as possible and that bail is granted when local laws permit it. Efforts are made unofficially on humanitarian grounds to obtain suspended or reduced sentences for young offenders whenever circumstances warrant it.

3. This young woman erroneously reported to be a Mary Howard-Brown was identified as a Canadian citizen and arrangements were made for her hospitalization in Athens until she was well enough to return to Canada escorted by a member of her family in October 1972.

POTATO PRICE STABILIZATION PROGRAM, 1971

Question No. 1,716—**Mr. Lambert (Bellechasse):**

Was a dealer purchasing potatoes by contract from producers eligible for a subsidy under the subsidy program for the 1971 crop; (a) if not, were the producers who had sold their 1971 production by contract eligible for the subsidy; (b) if so, what was the procedure to be followed?

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): The Potato Price Stabilization Program, 1971 was open to all producers but excluded others such as processors who acquire potatoes only by having them grown under contract or other arrangement. Participation in the program was initiated through application to the Fruit and Vegetable Division of the Canada Department of Agriculture.

POST OFFICE CALENDARS

Question No. 1,731—**Mr. Crouse:**

1. What were the specifications required by the government when placing a contract through the Post Office Department for 800,000 1973 calendars as produced by Metropole Litho Inc.?

2. What are the specific specifications which were not met by the two lowest bidders for this work?

3. (a) Were tenders called for the production overrun which increased the original contract from $173,790 to $269,866.20; (b) how big was the overrun; (c) for what reason was it required?

Order Paper Questions

Hon. André Ouellet (Postmaster General): 1. Specifications for the printing of the calendar were established and determined by Agence Canadienne de Publicité who were charged with the responsibility of producing a calendar on the basis of the concept and pro forma presented to the Department.

2. According to Agence Canadienne de Publicité (a) St. Lawrence Lithograving Limited did not quote on first quality paper; (b) Ashton Potter Limited included in its bid a reserve clause on the preparation cost. This made the total printing cost uncertain.

3. (a) $173,790. was the tender price for printing only. $269,866.20 was the total cost of the publication, including printing and production (artwork, colour photography, colour transparencies, typesetting, processing, lettering, writing expertise, agency fee, etc.); (b) Not applicable; (c) Not applicable.

LETTER FROM MEMBER FOR LEEDS TO MINISTER OF CONSUMER AND CORPORATE AFFAIRS CONCERNING MEAT PRICES

Question No. 1,733—**Mr. Cossitt:**

1. Did the Minister of Consumer and Corporate Affairs make a reply to the letter dated January 11, 1973, from the Member for Leeds on the subject of meat prices in certain areas before or after the Member for Leeds placed Question No. 1,694 on the Order Paper on March 21, 1973?

2. Did the Minister's reply bear a date of March 16, 1973?

3. On what date was the Minister's reply actually mailed at the House of Commons Post Office?

4. Did the Minister's reply bear a postmark of March 26, 1973 and, if so, for what reason?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. The letter sent to the member for Leeds was with the Minister of Consumer and Corporate Affairs for signature the day Question No. 1,733 appeared on the Order Paper. An interim reply was sent January 18, 1973.

2. Yes.

3. It is not possible for the Department to know the date the House of Commons Post Office stamped the letter. The letter left the Minister's mail room in the departmental office on March 23.

4. This information is not known by the Minister's office.

OLD AGE SECURITY PENSIONS PAID, YEAR ENDING MARCH 31, 1973

Question No. 1,780—**Mr. Matte:**

What was the total amount of Old Age Security Pensions paid in Canada and in each province, during the fiscal year ending March 31, 1973?

Hon. Marc Lalonde (Minister of National Health and Welfare):

Order Paper Questions

Fiscal Year 1972-73*

	Old Age Security	Guaranteed Income Supplement	Total
	$	$	$
Newfoundland	33,172,201	21,336,760	54,508,961
Prince Edward Island	12,410,875	7,256,467	19,667,342
Nova Scotia	73,939,984	36,780,017	110,719,911
New Brunswick	56,704,271	27,331,306	84,035,577
Quebec	429,387,961	198,767,841	628,155,802
Ontario	653,874,936	228,344,490	882,219,426
Manitoba	97,485,228	43,960,448	141,445,676
Saskatchewan	98,004,161	40,959,673	138,963,834
Alberta	122,475,044	51,539,455	174,014,499
British Columbia	208,326,819	81,598,474	289,925,293
Northwest Territories	898,124	622,263	1,520,387
Yukon	516,720	273,141	789,861
Total	1,787,196,234	738,770,335	2,525,966,569

*The figures for February and March 1973 are estimates.

INFORMATION SUPPLIED TO PUBLIC CONCERNING CHARITABLE ORGANIZATIONS

Question No. 1,785—**Mr. Stewart (Okanagan-Kootenay):**

Does the government provide information to the public about charitable organizations concerning (a) program (b) assets (c) liability (d) directors (e) membreship and, if not, for what reason?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: Because of the secrecy provisions of Section 241 of the Income Tax Act, it cannot provide any information to the public concerning the information contained in the files of charitable organizations.

COASTING LICENCE ISSUED TO FOREIGN FLAG VESSEL "PAMPERO"

Question No. 1,813—**Mr. Neale (Vancouver East):**

1. Has a coasting licence been issued to the foreign flag vessel *Pampero* and, if so (a) on what date was it issued (b) what is the expiry date (c) will a renewal be granted?

2. If a valid current licence has not been issued, is it the government's intention to issue a licence for this ship if an application is received?

Hon. Robert Stanbury (Minister of National Revenue): 1. Yes. (a) May 3, 1972; (b) Cancelled November 18, 1972 when vessel cleared for foreign port; (c) Application for a new licence will be required.

2. Provided all statutory conditions are fulfilled, the Collector of Customs at the port concerned is authorized to issue a coasting licence to the applicant.

TOBACCO EXCISE TAX FOR EACH YEAR 1960-1972

Question No. 1,820—**Mr. Stewart (Okanagan-Kootenay):**

What was the total amount of excise tax received from the sale of tobacco for each of the years 1960 to 1972 inclusive?

Hon. Robert Stanbury (Minister of National Revenue):

[Mr. Lalonde.]

Fiscal Year	Amount
1959/60	$185,502,518.97
1960/61	193,648,658.18
1961/62	207,550,498.66
1962/63	217,807,694.87
1963/64	226,938,710.05
1964/65	218,343,945.15
1965/66	238,080,357.48
1966/67	251,434,852.54
1967/68	266,686,509.66
1968/69	304,176,478.99
1969/70	295,845,228.63
1970/71	319,413,605.26
1971/72	330,120,737.21

*NUMBER OF PERSONS EXEMPTED FROM MANPOWER CLEARANCE, 1970-72

Question No. 1,870—**Mr. Harney:**

1. For each of the years 1970, 1971 and 1972, how many persons from other countries were exempted from "Manpower clearance" on a temporary basis for the purpose of carrying out work in Canada?

2. In how many of these instances of exemption did the Department of Manpower and Immigration check with the relevant labour union body or local to see whether or not there were qualified Canadian personnel available for the work for which exemption of "Manpower clearance" was required?

Mr. Mark MacGuigan (Parliamentary Secretary to the Minister of Manpower and Immigration): Prior to the introduction of the employment visa regulations on January 1, 1973, there was no legal basis for enforcing manpower clearances and no statistics were maintained on the number of workers who were subjected to a form of clearance in previous years or on the sources utilized to effect the clearance.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE—EXPENDITURES FOR RESEARCH

Question No. 130—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Department of Industry, Trade and Commerce on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what

are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

RATE OF CANADIAN EXPORTS

Question No. 498—**Mr. Beaudoin:**

1. For each country to which the government has granted interest free loans or loans bearing an interest rate of less than 4 per cent, what was the rate of Canadian exports each year since 1960?

2. In how many of such countries by name, has Canada's balance of trade shown a deficit since 1960?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO LATIN AMERICAN COUNTRIES

Question No. 1,097—**Mr. Paproski:**

1. What financial contributions have been made in the past five years for development assistance in each one of the Latin American countries?

2. What major long term development projects are now being sponsored by Canada in each one of these countries?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO BANGLADESH

Question No. 1,098—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Bangladesh?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO PAKISTAN

Question No. 1,099—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Pakistan?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO INDIA

Question No. 1,100—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in India?

2. What major long term development projects are now being sponsored by Canada in this country?

Return Tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO SRI LANKA

Question No. 1,101—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Sri Lanka?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO FIJI

Question No. 1,102—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Fiji?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO HONG KONG

Question No. 1,103—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Hong Kong?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO KOREA

Question No. 1,104—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Korea?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO MALDIVES

Question No. 1,105—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Maldives?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS TO DEVELOPMENT ASSISTANCE TO W. SAMOA

Question No. 1,106—**Mr. Paproski:**

1. What financial contributions have been made in the past five years for development assistance in W. Samoa?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

Order Paper Questions

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO PHILIPPINES

Question No. 1,107—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Philippines?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO TURKEY

Question No. 1,108—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Turkey?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO IRAN

Question No. 1,109—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Iran?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS TO DEVELOPMENT ASSISTANCE TO INDOCHINA

Question No. 1,110—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Indochina?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO THAILAND

Question No. 1,111—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Thailand?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO INDONESIA

Question No. 1,112—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Indonesia?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

[Mr. Paproski.]

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO MALAYSIA

Question No. 1,113—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Malaysia?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO SINGAPORE

Question No. 1,114—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Singapore?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO BURMA

Question No. 1,115—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Burma?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO NIGERIA AND SIERRA LEONE

Question No. 1,116—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Nigeria and Sierra Leone?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO GHANA

Question No. 1,117—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for developement assistance in Ghana?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO GAMBIA

Question No. 1,118—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Gambia?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO LIBERIA

Question No. 1,119—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance to Liberia?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO KENYA

Question No. 1,120—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Kenya?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO MALTA

Question No. 1,121—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Malta?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO UGANDA

Question No. 1,122—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Uganda?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO ETHIOPIA

Question No. 1,123—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Ethiopia?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO SOMALIA

Question No. 1,124—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Somalia?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO CYPRUS

Question No. 1,125—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Cyprus?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO ZAMBIA

Question No. 1,126—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Zambia?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO MALAWI

Question No. 1,127—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Malawi?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO RHODESIA

Question No. 1,128—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Rhodesia?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO NAMIBIA

Question No. 1,129—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Namibia?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO TANZANIA AND MAURITIUS

Question No. 1,130—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Tanzania and Mauritius?

2. What major long term development projects are now being sponsored by Canada in these countries?

Return tabled.

26087—64

Order Paper Questions

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO BRITISH HONDURAS

Question No. 1,131—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in British Honduras?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO JAMAICA

Question No. 1,132—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Jamaica?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO ANTIGUA

Question No. 1,133—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Antigua?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO BARBADOS

Question No. 1,134—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Barbados?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO DOMINICA

Question No. 1,135—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Dominica?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO GRENADA

Question No. 1,136—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Grenada?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

[Mr. Paproski.]

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO WINDWARD ISLANDS

Question No. 1,137—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in the Windward Islands?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO MONTSERRAT

Question No. 1,138—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Montserrat?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO ST. KITTS

Question No. 1,139—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in St. Kitts?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO ST. LUCIA

Question No. 1,140—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in St. Lucia?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO ST. VINCENT

Question No. 1,141—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in St. Vincent?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO GUYANA

Question No. 1,142—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Guyana?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE TO TRINIDAD AND TOBAGO

Question No. 1,143—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Trinidad and Tobago?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—MONEY CONTRACTED TO EACH OF FIVE REGIONS OF CANADA

Question No. 1,538—**Mr. McKenzie:**

1. In the fiscal years 1968-69 to 1971-72, how much money was contracted to each of the five regions of Canada by the Department of Consumer and Corporate Affairs?

2. What was this in per capita terms for each region?

Return tabled.

Mr. Broadbent: I rise on a point of order, Mr. Speaker, concerning a number of questions I placed on the order paper on or about January 4 this year, just over three months ago, a period of time which I would have thought was ample for obtaining answers. I ask the parliamentary secretary whether, in particular, I can have an answer to question No. 152 which contains a list of 95 corporations. I want to find out what grants and other forms of financial assistance have been made available to these companies by a variety of government departments and agencies. Can the parliamentary secretary let me know when I may expect an answer to this question?

Mr. Reid: I shall be glad to look into this matter. I would remind hon. members, however, that questions which require answers from a variety of departments often take a good deal longer to answer than those which request information from one department only.

Mr. Harding: Mr. Speaker, my point of order relates to question No. 180 which was placed on the order paper on January 4 requesting information as to the cost of purchasing an installation of office furnishings. I should like to point out that the same question was placed on the order paper last session and remained unanswered. A period of many months has gone by during which the answer might have been provided. Surely the departments concerned can provide the information requested. I ask the parliamentary secretary to tell me when I may expect an answer.

● (1410)

Mr. Reid: Mr. Speaker, this question asks each office and department of the federal government for specific information that is not easily obtainable. All records of the federal government have to be searched in order to provide this information.

Mr. Reynolds: Mr. Speaker, my point of order relates to question No. 230 which, as I mentioned last week, has been on the order paper since January 10 and was also placed on the order paper almost two years ago by the previous member for my riding. It has to do with for which insurance companies Air Canada acts as agent. I should like to ask the parliamentary secretary when I may expect an answer to this question.

Mr. Guay (St. Boniface): I hope it will be soon, Mr. Speaker.

Mr. Nystrom: Mr. Speaker, on the same point of order, may I ask the parliamentary secretary when I can expect a reply to about 40 questions I put on the order paper on January 4 asking for information on the amount of money spent on publicity and/or information, as well as the amount of money spent on outside contracts by various government departments?

Mr. Grier: Mr. Speaker, I am sorry to try your patience but I have two questions on the order paper in particular, one which has been on the order paper since January 25 dealing with government grants to Bell Canada and its subsidiaries, and a straightforward starred question which was put on the order paper on February 22. Can the parliamentary secretary indicate when I might have a reply to one or both of these questions?

Mr. Rodriguez: Mr. Speaker, I also rise on a point of order relating to two questions that I have had on the order paper since January 4, Nos. 171 and 172. Both questions deal with the objectives and evaluation of subsidy programs offered by the government. I have not received an answer to either of these questions yet.

Mr. Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

● (1410)

[*Translation*]

Mr. Lachance: On a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Lafontaine is rising on a point of order.

Mr. Lachance: Mr. Speaker, would it be possible to obtain the unanimous consent of the House to enable me to present the first report of the Committee on External Affairs and National Defence?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

* * *

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

First report of Standing Committee on External Affairs and National Defence—Mr. Georges-C. Lachance (*Lafontaine*)

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

[*English*]

ORAL QUESTION PERIOD

PUBLIC SERVICE

MEASURES TO ACHIEVE GREATER EMPLOYMENT OF WOMEN IN HIGHER POSITIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, since it is now two and a half years ago that the report of the Royal Commission on the Status of Women was presented and evidently less than 2 per cent of the positions rated at $26,000 a year or more are held by women, may I ask the Prime Minister whether he intends to take any significant measures to remedy this situation, over and above the assurance of the President of the Treasury Board that rules and regulations will be reviewed to ensure that there is no discrimination against the female sex?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I regret I will not be able to answer this question in detail, but there was a statement and answers given by the Minister of Labour to questions on this subject. I am sure that he will be able to give further details if the Leader of the Opposition wants to ask him.

Mr. Stanfield: May I ask the Prime Minister whether the government has established any precise targets for or a definition of equitable participation of women in senior government posts?

Mr. Trudeau: Mr. Speaker, I will gladly take note of the question on behalf of the President of the Treasury Board and the Minister of Labour.

Mr. Stanfield: Mr. Speaker, I have asked these questions because I thought they would be of general concern to the Prime Minister and the government. I should like to ask whether the government has dismissed out of hand the establishment of precise targets in this area of senior positions for women in the Public Service? In view of the rejection by the President of the Treasury Board of any quota system, has the government rejected the establishment of precise targets to be achieved?

Mr. Trudeau: Mr. Speaker, we dislike the quota approach to any of these problems. We would hope we would not have to use it in the case of women. This being said, every effort is being made by the government to ensure that women are considered for the appointments we make.

Mr. Speaker: Order, please. There are a number of supplementaries sought on this question. The Chair will recognize the hon. member for Fundy-Royal and then we will try to complete the first round of questioning. If hon. members think we should have supplementaries on this subject later, we will hear them.

[Mr. Speaker.]

POSSIBLE TRANSFER OF RESPONSIBILITY FOR IMPLEMENTATION OF RECOMMENDATIONS OF STATUS OF WOMEN COMMISSION TO SECRETARY OF STATE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, this supplementary question is directed to the Prime Minister. Can the right hon. gentleman say whether the government is considering transferring the responsibility for developing programs to give effect to the recommendations of the Royal Commission on the Status of Women from the Department of Labour to the Department of the Secretary of State, which department might be considered as an action oriented department?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have indeed considered this question and I am in the process of discussing it now with the relevant ministers. I might go on to say that at this time I would have a slight preference for not doing what the hon. gentleman suggests because—

An hon. Member: Or anything else.

* * *

AIRPORTS

PICKERING TOWNSHIP SITE—INQUIRY AS TO APPOINTMENT OF MEMBERS AND TERMS OF REFERENCE OF COMMITTEE OF INQUIRY

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Transport. He announced the appointment of an inquiry into the aspects of the Pickering Airport on January 30, I believe. I should like to ask whether he has appointed the board, commission or whatever he wishes to call it, and when will he be able to announce the membership of that inquiry?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the board is not constituted yet. We have a series of names and we are attempting to make a selection. As I announced, I will be having discussions with the Premier of Ontario so there will be agreement with him on the constitution of the board.

Mr. Lewis: Mr. Speaker, may I ask the minister whether he has already decided on the terms of reference for this inquiry, and can he assure the House that the board or commission will have the authority to inquire into not merely the narrow field outlined in his statement of January 30 but into the whole matter affecting the Pickering Airport?

Mr. Marchand (Langelier): Mr. Speaker, the public will be able to make representations on the specific issue of type and timing of facilities and the transportation and planning content. The government has made it clear that decisions to date on need and location may be reconsidered in light of new facts, new information on technology or travel habits which nullify the basis of these decisions. The board will be authorized to inquire into all aspects of the question.

Mr. Lewis: Mr. Speaker, I am very glad to hear that the board will have that authority. I understand from the

minister that he has not yet constituted the inquiry and intends to have discussions with Queen's Park, with the Premier of Ontario. Can he indicate to the House and the people concerned in the Pickering region how soon he expects to set up the inquiry in order that representations may be made?

Mr. Marchand (Langelier): I hope very early after Easter, Mr. Speaker.

PICKERING TOWNSHIP SITE—RELEASE OF SURROUNDING NOISE LANDS FROM MINISTERIAL ORDER

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my supplementary question is directed to the Minister of Transport. In the interim before this group is set up, is the minister in a position to indicate which, if any, of the acres that have been frozen as noise lands may now be released?

Hon. Jean Marchand (Minister of Transport): At this moment, no, Mr. Speaker.

* * *

● (1420)

[*Translation*]

SOCIAL SECURITY

ESTABLISHMENT OF GUARANTEED ANNUAL INCOME—DISCUSSION WITH PROVINCES—PRESENTATION OF MEASURES BEFORE EASTER RECESS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, my question is directed to the hon. Minister of National Health and Welfare.

Over the weekend he stated that he would introduce this week a proposal for establishing a guaranteed annual income for some categories of people. Has the hon. minister held discussions on this matter with the provinces before making this announcement? If not, will he be meeting the provincial ministers immediately following his announcement this week, and will he be discussing at the same time the matter of pensions for those aged 60 or over?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member no doubt knows, I met all my provincial colleagues when I visited the provinces two weeks ago. I toured the capital cities; I was able to discuss the matter with all my colleagues and we will be meeting in Ottawa on April 25, 26 and 27 to examine proposals for reforming our social security system.

With regard to guaranteed annual income, I have announced nothing more than exactly what is to be found in the Speech from the Throne of January 4, namely the government's basic principle that any reform of the social security system must include a guaranteed income plan for those who are unable to work and who are not expected to work.

Mr. Caouette (Témiscamingue): I have a supplementary, Mr. Speaker.

Does the hon. minister intend to introduce legislation before the Easter recess or afterwards?

Mr. Lalonde: Mr. Speaker, before the House adjourns I hope to submit a working plan for the federal government to set before the provinces, but this working plan will not contain legislative measures at this stage; any bill will have to come after consultations with the provinces towards the end of the month.

[*English*]

DISCUSSION OF POSSIBLE INCREASE IN PENSIONS FOR BLIND WITH PROVINCIAL MINISTERS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question I should like to direct to the Minister of National Health and Welfare. In his consultations with the provincial welfare ministers, was any specific reference made to the blind who have not had increases in their allocation of funds since the 1960's?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Surely, Mr. Speaker, when we discussed the possibility of establishing a guaranteed income, we did specify that this guaranteed income ought to apply not only to the aged, but also to the handicapped, including the blind.

REPRESENTATION OF PARTIES AT FORTHCOMING FEDERAL-PROVINCIAL CONFERENCE

Mr. Adrien Lambert (Bellechasse): I should like to put a supplementary question, Mr. Speaker.

In view of the announcement of the anticipated dates for the federal-provincial conference, can the minister advise this House, in view of the minority situation of this government, whether representatives of all opposition parties in this House will be invited to participate in this conference?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this is an intergovernmental federal-provincial conference.

[*English*]

Mr. Speaker: Order, please. Again there are a number of supplementaries. The Chair will recognize the hon. member for Trinity first and perhaps we might have supplementaries later on this subject.

* * *

TRADE

UNITED STATES DISC LEGISLATION—OPINION OF CANADIAN EXPORT ASSOCIATION AS TO EFFECT ON CANADIAN EXPORTS—REQUEST FOR TABLING OF STUDIES

Hon. Paul Hellyer (Trinity): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce I should like to pose my question to the Minister of Finance. Is the minister aware of the advice to the Minis-

ter of Industry, Trade and Commerce by the Canadian Export Association that the effects of the United States DISC legislation on Canadian exports will be ten times greater than the level estimated by the Minister of Industry, Trade and Commerce and his officials?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am aware of that advice. I am not quite satisfied with the hon. member's analysis of it.

Mr. Hellyer: Can the minister advise the House whether the Department of Industry, Trade and Commerce or his own Department of Finance has instituted similar studies to those done by the Canadian Export Association? If so, would he be good enough to table the documents before the Easter recess so that we could study them during the recess?

Mr. Turner (Ottawa-Carleton): I will certainly look into that, Mr. Speaker.

Mr. Speaker: I believe the hon. member for Humber-St. George's-St. Barbe and the hon. member for Nanaimo-Cowichan-The Islands have supplementaries to previous questions.

* * *

SOCIAL SECURITY

INTRODUCTION OF FAMILY INCOME SECURITY PROGRAM

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. Is the Prime Minister prepared to fulfil his commitment to the people of Newfoundland when he announced on October 2 last that if his government was elected the first legislative action that would be taken would be regarding the family income security program?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I indicated in that speech that the only reason it had not been done in the last session of parliament was that members sitting on the Conservative benches had prevented it from being passed.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear.

Mr. Trudeau: And I did say—

Mr. Lambert (Edmonton West): It was a lousy bill.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Humber-St. George's-St. Barbe. Perhaps we should not return to that question.

Mr. Marshall: I wonder whether the Prime Minister would ask the Minister of Labour, who was minister of national health and welfare when the family income security bill was before the House, if he would tell him what the opposition said at that time about voting for family allowance bills?

[Mr. Hellyer.]

Mr. Speaker: Order, please. The hon. member for Egmont.

* * *

EXTERNAL AFFAIRS

VIET NAM—OPPORTUNITY FOR SURVIVORS OF ATTACK ON HELICOPTERS TO INSPECT CRASH SITE TO DETERMINE WHETHER WRECKAGE MOVED

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Secretary of State for External Affairs. In light of the continuing difficulties in determining the accuracy of the location of the unfortunate helicopter crash that took place in South Viet Nam, would the minister inform the House whether Ambassador Gauvin has succeeded in securing approval from the Viet Cong and perhaps others for inspection of the helicopter crash site by the survivors of the crash to determine whether or not the helicopter has been moved from the original crash site?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the House knows, Ambassador Gauvin has been trying to get the inquiry extended in this way. So far as I know, up to this moment he has not yet been successful.

Mr. MacDonald (Egmont): In light of the importance of resolving this question at an early date, I wonder whether the minister has taken any direct action at the ministerial level to assist Ambassador Gauvin in arranging such an inspection by the survivors? If such action has not yet been taken by the minister, would he give consideration to doing so?

Mr. Sharp: The difficulty in making the inspection is that the Provisional Revolutionary Government has so far objected and there is no way in which I can make direct representations on that point. Ambassador Gauvin is in a much stronger position on the spot that I would be from this distance dealing with a group of people we do not recognize.

GREECE—HOLDING INCOMMUNICADO WITHOUT CHARGE OF LAWYERS REPRESENTING GREEK STUDENTS—REQUEST FOR REPRESENTATIONS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Having regard to the fact that Canada and Greece are both bound by the universal declaration of human rights and are both signatories to the NATO treaty which speaks about respect for human rights, and in light of the report from members of the International Commission of Jurists and the International League of Rights that lawyers representing Greek students have been held incommunicado for more than a month without being charged with any office, will the Canadian government make representations to the Greek government protesting against this grave violation of fundamental rights?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on a number of occasions, both at the NATO conference to representatives of Greece who were present and privately, I have made representations to the Greek government about the question of civil rights. I shall go on doing so. Our position has not changed.

Mr. Brewin: Will the Secretary of State for External Affairs answer my question and say whether he will protest against the particular incident I have drawn to his attention?

Mr. Sharp: I shall, if the occasion arises, speak to the Greek ambassador about this particular incident, but of course this is only one of several incidents. The general position of the Canadian government in relation to these matters is very well known, and I believe we are taking all steps that would be constructive under the circumstances.

* * *

● (1430)

AIR CANADA

ALLEGED LACK OF GOVERNMENT POLICY AND DIRECTION—DISCUSSION BY MINISTER WITH CHAIRMAN

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like to ask the Minister of Transport whether he has had any communication with Mr. Yves Pratte, the Chairman of Air Canada, since the interview Mr. Pratte gave to the Financial Post as reported on April 7? Has he been in touch with him, and has he been able to secure the co-operation of the Chairman in meeting the criticism that the government has no policy respecting Air Canada?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, actually I met with the President of Air Canada on Friday morning between 9.30 and 10.30.

Mr. Diefenbaker: Now that we have got them together—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: —possibly the minister will say whether or not he discussed with Mr. Pratte some of the statements that very estimable gentleman made to the press, among them being "I am not prepared to oversee the decline of Air Canada," and "if the government refuses to make decisions then within ten years Air Canada will be a second airline to CP Airlines"? Did he discuss any of these criticisms, and what is he going to do concerning, among other criticisms, the fact that the minister does not answer any of his letters regarding the objectives of Air Canada?

Mr. Marchand (Langelier): Mr. Speaker, I regret that the right hon. member was not here on Friday. I would have invited him to the meeting and he would have seen that we are in perfect agreement, Mr. Pratte and myself, and that we both want to preserve the pre-eminence of Air Canada not only nationally but internationally. Further, he has received answers to all letters he has sent to me.

Mr. Diefenbaker: Mr. Speaker, I still ask the minister the simple question: did he take up with Mr. Pratte the very strong criticisms that Mr. Pratte made of this government, when he talked to him in that tête-à-tête on Friday afternoon?

Mr. Marchand (Langelier): Mr. Speaker, it was not Friday afternoon; it was Friday morning at 9.30.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, we are making progress except in securing an answer. Did Mr. Pratte agree that CP Airlines should have the right to the Milan route? What was said in regard to that, because I notice he strongly criticizes the government for failure to act in that connection?

Mr. Marchand (Langelier): Mr. Speaker, unfortunately we have not discussed the case of Milan at all.

* * *

PUBLIC SERVICE

INQUIRY AS TO AMENDMENT OF ACTS AFFECTING EMPLOYMENT OF WOMEN

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I want to ask a supplementary question, or perhaps a somewhat related question, in the area opened up by the Leader of the Opposition. Because it affects so many areas within government I want to ask the President of the Privy Council whether the government intends to bring forward, during this session of parliament, amendments to a number of acts which at present contain discriminatory sections with respect to the employment of women in the Public Service of Canada?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, the legislative program will be brought forward. I understand there is one particular measure under consideration relating to this subject.

DISCUSSION WITH COMMISSION AND DEPARTMENTS OF SPECIFIC PROCEDURES LEADING TO INCREASED RECRUITMENT OF WOMEN

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister. Is the government discussing with the Public Service Commission and the various departments which do hiring, specific procedures which would lead to a much more active program of recruitment of women into the public service and particularly into the upper echelons of the public service, than has been used up until now?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know if these discussions are going on these days. I do know that the subject has been discussed with the Public Service Commission and that the commission has responded by taking measures to make a particular effort to ensure the recruitment of women. Within the departments instructions have been given to all deputy ministers to ensure that women now within these depart-

ments be given every opportunity to advance through promotion.

Mr. Orlikow: In view of the fact that the government's policy on the employment of women, just as is the case with its policy on the employment of native peoples, has been clear and very good in principle for several years but the results have shown how little progress we have made, is the government really going to ask the Public Service Commission and the various departments to get on with the job, which they have not been doing up until now?

Mr. Trudeau: Mr. Speaker, I certainly agree with the hon. member that it is not always sufficient to state principles because very often the application follows at some considerable distance. We had this experience in the application of the Official Languages Act. We are now taking the further step of looking into the application. I will consider the suggestion of the hon. member and see if we can issue some type of directive to ensure that the aims of these policies are carried out.

SENIOR MANAGEMENT DEVELOPMENT COURSE—ENCOURAGEMENT OF PARTICIPATION BY WOMEN

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to ask just one short supplementary of the Prime Minister in keeping with the tone of the questioning. In view of the fact that the senior management development course implemented by the Public Service Commission, designed to improve the administrative skills of the civil servants at the managerial level, has attracted only one woman, can the Prime Minister assure the House that he will discuss this matter with his ministers in order to ensure the encouragement and facilitation of women in this particular course?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the policies to which I was referring apply to every aspect of the civil service and its instruction programs. If the hon. member found this example in one program, I am sure he would find other programs where women are indeed coming in and are being encouraged in a remarkable sense.

Mr. Alexander: A supplementary—

Mr. Speaker: Order, please. The hon. member sought the floor for what he called one short supplementary, which he has asked. The Chair will recognize the hon. member for Kingston and the Islands and then the hon. member for Bellechasse. We will be running short of time. Hon. members should note that it is the first question asked this afternoon on which we are having all these supplementaries.

* * *

STATUS OF WOMEN

REQUEST THAT ADVISORY COMMITTEE REPORT TO PARLIAMENT RATHER THAN MINISTER

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I would like to direct my question to the Prime Minister. In light of the fact that there has been very considerable opposition to the government's recently proposed federal advisory committee on the status of women because of the fact that it will report to the minister and not to parliament, as women's groups have requested, will he tell the House whether he has considered the restructuring of the committee along lines which would be much more in accord with the wishes expressed by the majority of women's groups?

Hon. P. E. Trudeau (Prime Minister): Obviously, Mr. Speaker, we have considered various ways of setting up this advisory group. It is one of the subjects that the Minister of Labour and I have considered together. The decision, for the time being, is to proceed as announced by the Minister of Labour. I do not believe it is right for the hon. member to assume that most of the women's groups prefer her system to the one put forward by the Minister of Labour.

* * *

[*Translation*]

AGRICULTURE

QUEBEC—CROP DAMAGE—DISCUSSION WITH PROVINCIAL MINISTER TO MODIFY COMPENSATION ZONES

Mr. Adrien Lambert (Bellechasse): Mr. speaker, I wish to ask a question of the Minister of Agriculture.

Could the minister tell this House whether he had or will have discussions with the Minister of Agriculture of the province of Quebec to modify certain zones which had been designated to allow agricultural producers to receive subsidies following crop losses last summer?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if the Minister of Agriculture of the province of Quebec desires to meet with me I am perfectly willing to meet with him.

[*Translation*]

QUEBEC—CROP DAMAGE—INQUIRY RESPECTING REFUND OF $400 GRANT

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I should like to put a supplementary question.

Does the minister intend to modify the zoning areas with a view to solving the problem of those who have been required to reimburse the $400 subsidy?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we believe in co-operation with the provinces. If the minister of agriculture from Quebec wants to make such a suggestion, I am willing to listen.

● (1440)

CANADIAN PROPOSALS FOR GATT CONFERENCE—DISCUSSION WITH FARM ORGANIZATIONS AND PROVINCIAL PREMIERS

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. In light of the declaration of the minister at the recent OECD meeting in Paris that Canada looks forward to positive action in the GATT talks to be held this fall to liberalize international trade in agricultural products, is the government preparing specific proposals and, if so, are these proposals going to be discussed with farm organizations and provincial premiers this spring and summer?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the preliminary talks and preparations are well under way, if I understand correctly, and I am sure that the proposals will be discussed with our counterparts. Suggestions have been received from some of them already.

Mr. Murta: In light of our apparent common interest with the United States in reducing barriers to agricultural trade, specifically in the EEC and Japan, is the minister going to hold ministerial talks with the United States on reaching joint goals for the GATT negotiations that will be held this fall?

Mr. Whelan: Mr. Speaker, I can only say that we did have several very informal discussions with the Secretary of Agriculture of the United States in Paris.

POSSIBLE EXPANSION OF GATT NEGOTIATIONS TO INCLUDE COMMUNIST COUNTRIES

Mr. A. P. Gleave (Saskatoon-Biggar): May I ask the Minister of Agriculture if ways are going to be found to expand these talks on trade to include those countries that are communist or centrally controlled, which is the term they use, so that the agricultural talks may be broad enough to include the full spectrum of our trading partners?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think it is obvious from the actions the government has taken and is taking at the present time, that we are trading all over the world more than we ever have in the past, and will continue to do so.

* * *

NATIONAL PARKS

JASPER—POSSIBLE NEW LOCATION FOR CANADIAN NATIONAL RAILWAYS DIVISIONAL POINT—REQUEST FOR PUBLIC HEARINGS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and arises from the minister's stated desire to find a new home for the Canadian National division point at Jasper. Will the minister or the Minister of Transport hold full public hearings in Jasper before July into the feasibility and consequences of moving the 1,200 people involved?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have not decided to move immediately the employees now in Jasper; I merely said that it would be desirable for the CN, if it wants to have better facilities, to try and find another place. Of course, if we reach that decision, we will certainly have consultations with the local authorities; I did not say that everything should be done before the month of July, but merely suggested that we might be well-advised to have that objective.

[*English*]

Mr. Clark (Rocky Mountain): Since the minister's statement has caused considerable disquiet in the town site of Jasper and since he gives no indication that he is prepared to hold public hearings on his own at this time when the disquiet exists, would he make his officials available for the public hearings I intend to hold on the subject?

Some hon. Members: Oh, oh!

* * *

INCOME TAX

INQUIRY AS TO EXTENSION OF SAME CONCESSIONS TO SMALL FAMILY BUSINESSES AS TO FAMILY FARMS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to direct a question to the Minister of Finance. Is the minister considering extending to small family businesses the same tax concessions that rightly will be extended to family farms?

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the family farm is in a particularly unique position in view of the very high capitalization, the lack of liquidity, and the volatile value of land, but I appreciate the thrust of the hon. member's question and I appreciate his giving me notice of it.

* * *

HEALTH

IMPLICATION OF DEPARTMENT'S FAMILY PLANNING POSTERS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of recent colourful posters on family planning put out by his department and showing as many as ten children per family, would the minister advise whether these posters showing as many as ten per family reflect the government's policy for Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I think they reflect maybe the

policy of the Minister of Justice but I do not know about mine.

Some hon. Members: Oh, oh!

Mr. Lalonde: I am not sure that it is yet the government's policy.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, I think I will still take a chance on the Minister of National Health and Welfare. Were family planning organizations across Canada consulted as to the possible effect of these posters in sabotaging their work of family planning?

Mr. Lalonde: I am sure, Mr. Speaker, that if they have as much effect as some of our posters have we should not worry too much.

* * *

IMMIGRATION

POLICY RESPECTING ISSUANCE OF WORK PERMITS FOLLOWING SCREENING BY SPECIAL INQUIRY OFFICER

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Minister of Manpower and Immigration or, in his absence, his parliamentary secretary. Has the Department of Immigration changed its policy of issuing work permits to people once they have been screened by a special inquiry officer?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, in the absence of the minister I shall be pleased to take the question as notice.

* * *

AIRPORTS

VANCOUVER INTERNATIONAL—INITIATION OF ENVIRONMENTAL STUDIES RELATED TO EXPANSION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, on Friday I asked a question of the Minister of Transport which was referred to the Minister of the Environment. I will ask it again. In light of the fact that the Minister of the Environment told the House some month and a half ago that environmental studies would be completed on the proposed expansion of the Vancouver airport within 12 months, can the minister now advise whether these studies have begun?

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker, they have begun and the target date for their completion is December 31, 1973.

Mr. Fraser: Can the minister advise the House when and in what manner the public will be given the chance to make representations regarding this matter?

Mr. Davis: First, Mr. Speaker, the consultants involved will be in touch with the municipalities and community interest groups in the area. After the studies have been completed they will be published. Then we will decide about hearings.

* * *

FLOODS

HIGH WATER LEVELS IN LAKES ONTARIO AND ERIE—SURVEYS OF DAMAGE AND PROPERTY LOSS—GOVERNMENT ACTION

Mr. Kenneth J. Higson (Lincoln): Mr. Speaker, I have a question for the Minister of the Environment relative to the very extensive damage and property loss along the shorelines of Lake Ontario and Lake Erie during the last few weeks. Can the minister tell the House whether a survey of the damage and property loss has been prepared and received by him and, if so, what action is he prepared to take with regard to the survey?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, surveys have been carried out jointly with the provincial government, some from the air and some on the ground. We are still awaiting an application from the province for financial assistance.

Mr. Higson: Has the minister considered a program of assistance whereby low interest loans would be made available to lakeshore property owners to repair or construct protective works, the labour input of which might be partly or fully forgiven in circumstances similar to the three-year winter works program?

Mr. Speaker: Order, please. That is a representation.

* * *

SHIPPING

DARLING REPORT RECOMMENDATION THAT COASTAL WATERS BE RESERVED FOR CANADIAN FLAG VESSELS—POSITION OF GOVERNMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Transport. On February 14 I asked a question regarding the two year old Darling report, particularly the recommendation that Canadian coastal waters should be reserved for Canadian flag vessels. At that time the minister said that he was consulting the coastal premiers. Has the minister had any reply from the premiers of the provinces on the west and east coasts, and is he in a position to say what stand the government will take regarding the implementation of this particular recommendation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I met last week with the four premiers of the Atlantic provinces, but I have not had an opportunity to discuss the same subject with Mr. Barrett yet. The premiers of the Atlantic provinces are afraid that, if we implement the Darling report as it is now, the cost of transportation for the Maritimes will be increased. So we are going to study with their officials each of the cases they want us to look into in order not to place a new burden on those provinces in implementing the report.

Mr. Douglas: Does the minister intend to have consultations with the Premier of British Columbia with a view to seeing whether this recommendation can be implemented for the Pacific coast?

Mr. Marchand (Langelier): Yes, Mr. Speaker.

* * *

● (1450)

[*Translation*]

AIR TRANSPORT

ALLEGED REFUSAL BY GOVERNMENT OFFICIAL TO APPROVE CHARTER FLIGHTS TO HAITI

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to direct a question to the Minister of Transport.

This morning, 500 students and professors were supposed to leave for Haiti by plane. The students have been organizing such annual trips to Haiti for four years. Last Friday I personally phoned the Minister of Transport to see if it would not be possible to allow that flight of two chartered planes to Haiti. Has the minister any power over a Mr. Thomson? This might be a grievance, but Mr. Thomson answered the hon. member for Lotbinière (Mr. Fortin) in an arrogant and impolite manner regarding those flights that he said he was cancelling, adding that he would never give his approval for that student trip. Could the minister tell us what action he can take regarding that situation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, if an official has been arrogant and impolite, I will be the first one to regret it and also try to ensure that he answers the public correctly. However, the hon. member will have to submit a specific grievance because I am not in a position to judge.

As to those 500 young people who were to leave this morning and unfortunately could not do so I regret this and I will see if there is a way to soften the regulations to ensure that there is no repetition of things like that.

* * *

[*English*]

CANADA PENSION PLAN

INQUIRY AS TO LEGISLATION TO EXCLUDE OLD ORDER MENNONITES FROM COMPULSORY PAYMENTS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I wish to direct my question to the Minister of National Revenue who over a month ago indicated that he or his colleague, the Minister of National Health and Welfare, would be introducing legislation into the House to exempt Old Order Mennonites from compulsory payments to the Canada Pension Plan. Now that the time is again here for filing income tax returns, will the minister assure the House that Old Order Mennonites will not be forced to make these contributions against their will simply because the government did not act?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, the hon. member for Kitchener has been drawing this matter to my attention as well. I think the Minister of National Health and Welfare can confirm that he intends to introduce a bill to accomplish this purpose very soon. I hope that will clear up all such problems of those two hon. members and their constituents.

* * *

HEALTH

POSSIBILITY OF INCREASED PRIMARY MEDICAL CARE ROLE FOR NURSES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a non-Freudian question to the Minister of National Health and Welfare. It is based on the recent recommendations of the Canadian Medical Association and the Canadian Nurses Association suggesting an increased primary medical care role for nurses. Can the minister advise how his department will facilitate adoption of this progressive and practical recommendation? Also, can he advise if the matter will be on the agenda of the upcoming federal-provincial conference of health ministers?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, indeed, there will be a conference of Ministers of Health early in May and the object of that conference will be mainly to discuss the new methods of financing. I am particularly happy to see the Leader of the Opposition give his support to this government proposal. I would also like to say that, hopefully, there will be discussion with the Ministers of Health on matters outstanding and I think the problem raised by the hon. member will be discussed on that occasion.

* * *

[*English*]

AGRICULTURE

STUDY OF TENDER FRUIT INDUSTRY BY ECONOMICS BRANCH—REQUEST FOR STATEMENT

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is to the Minister of Agriculture. In view of the fact a study has recently been made by the economics branch of the Department of Agriculture regarding the Canadian tender fruit industry, is the minister prepared to make a statement at an early date based on the recommendation of this study?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it is my intention to do so as soon as it has been completed and the facts of the study are checked. I hope to be able to do that shortly.

Oral Questions

ENERGY

CANADIAN POSITION ON POSSIBLE TRANSPORTATION OF AMERICAN LIQUIFIED GAS AND PETROLEUM BY TANKER

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the fact there is a Congressional hearing and two bills are before the United States Congress and the suggestion is now being made that tankers may be used to transport liquified gas as well as crude petroleum, has the Canadian government made itself clear with regard to what means of transportation we would prefer if that energy, either liquid gas made from natural gas or crude petroleum, is to be moved?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Sir.

Mr. Woolliams: Mr. Speaker, I appreciate the short answer. I now ask the minister to tell us in two words what route the government prefers.

Mr. Macdonald (Rosedale): The safest route, Mr. Speaker.

* * *

INCOME TAX

REQUEST THAT FARMERS BE ALLOWED TO RETAIN RIGHT TO AVERAGING IF LATE IN FILING RETURNS

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Minister of National Revenue. It is further to the question asked last week by the hon. member for Wellington with regard to income tax returns. Has the minister received any representations, from the accounting profession in particular, about farm returns and the fact that those people are required to file capital cost schedules with their returns, which will make it difficult for them to file their returns on time? If he has received such representations, will he give consideration to extending, if not the time for filing, the farmer's right to averaging if he is late filing? He may have to pay a penalty, but can he at least be given the right to retain the privilege of averaging?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, we have given careful consideration to the possibility of special dispensation for particular groups, but we feel that kind of discrimination would not be fair. However, I have stated publicly and I wish to reiterate now that if any taxpayer has difficulty in amassing all the necessary information on time, a return with income figures estimated on a reasonable basis will be accepted. Alternatively, payment of estimated taxes by April 30 will eliminate or at least reduce liability for penalty and interest even if the return is filed after the deadline.

Mr. Speaker: Order, please. We have reached the end of the question period. Perhaps hon. members will allow the Chair to recognize the hon. member for Yorkton-Melville and the hon. member for Esquimalt-Saanich before calling orders of the day.

[Mr. Whelan.]

TAXATION

ENDORSEMENT BY MINISTER OF ENERGY, MINES AND RESOURCES OF INCREASED FEDERAL REVENUE FROM RESOURCE INDUSTRIES—GOVERNMENT POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Prime Minister. In view of the fact that over the weekend the Minister of Energy, Mines and Resources, who is now leaving his desk, endorsed a resolution calling for increased federal government revenues from the resource industries of this country, can the Prime Minister say whether the minister was advocating government policy and, if so, when can we expect the necessary legislative changes?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to see exactly what the minister, who is leaning over a desk, said. I am sure he stated government policy in some form.

* * *

WILDLIFE

IMPORT OF PUMA AND OCELOT PELTS FOR SUBSEQUENT EXPORT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I wish to direct my question to the Minister of the Environment. I have given him notice. As a result of my notice, has the minister been able to make himself aware of the adverse publicity being given to Canada because of the ease with which, taking advantage of loopholes in Canadian import regulations, pelts of endangered species such as puma and ocelot are reaching Canada for storage and subsequent export?

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker. As the hon. member knows, members of Environment Canada have been taking a leading role in international discussions on this subject.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed, from Friday, April 13, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railways Company and certain debentures to be issued by Air Canada,

be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Bill Knight (Assiniboia): Mr. Speaker, if I have to live with the New Democratic Party, I am pleased to see the growth in my audience since Friday. This is a rather serious debate concerning the operation of Canadian National Railways and the financing bill.

Last Friday, we asked the minister or his parliamentary secretary that we be told in some reasonable fashion what kind of financing was done in 1971 and 1972, in view of the fact this bill was not passed last year. That was a very interesting disclosure by the government. What kind of financing did Canadian National Railways and Air Canada undertake, in view of the fact the financing bill did not pass parliament last year?

On Friday, I raised what I believe to be a fundamental point. Within the confines of this debate, the ministers of the Crown, the Minister of Finance (Mr. Turner) in particular, who have any relationship to the area of transportation should take this opportunity to explain to this House and the people of Canada their position on the matter of transportation.

Some hon. Members: Hear, hear!

Mr. Knight: On behalf of the hon. member for Nickel Belt (Mr. Rodriguez), I ask the Minister of Regional Economic Expansion (Mr. Jamieson) to explain what steps he is going to take in view of his long history as Minister of Transport.

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member, but if hon. members want to hold conferences I suggest they should do so behind the curtains.

Some hon. Members: Hear, hear!

Mr. Speaker: I take particular exception to members sitting on the arms of chairs or sometimes sitting on their desks with their backs turned to the Chair while a member is trying to address the Chair. I ask the co-operation of all members in this regard.

Some hon. Members: Hear, hear!

● (1500)

Mr. Knight: I would think it is particularly incumbent on the government, in a minority situation, to do some listening when transportation is being discussed. I want to say that one minister at least, the Minister of Regional Economic Expansion, ought to give some consideration to answering questions about the cost of freight rates as they relate to the Prairies and the Maritimes. My hon. friend from Nickel Belt and my hon. friend from Timiskaming have questions to ask about the transport situation in northern Ontario. This debate allows them the opportunity to request an announcement of substantial changes in the freight rate structure to meet the desperate need for a fair and just transportation system across the country, one which equalizes freight rates so that people living in regions such as the prairie region, northern Ontario and the Maritimes can move into secondary manufacturing industries, the kind of industries which are capital intensive and which create employment for people in those areas.

Mr. Speaker, I have discussed at some length the whole question of the debt owed by the Canadian National Railways since they are carrying a debt which they ought not to be carrying as can be seen from this particular financing bill. A few years ago there was a change in the relationship of the debt between the Canadian National and Air Canada. There should be a further extension of that change to remove that debt from the books of the CN. After all, surely Mackenzie and those people who were shareholders back in the 1900's when the Tory party bought out those railways have been paid enough.

Mr. Broadbent: Too much.

Mr. Knight: Too much. I raised the question of the freight rate structure as it relates to many regions of this country and the relationship between it and grain. I brought up very briefly the question of rail line abandonment which faces western Canada more than any other area. I suggested that in lieu of 1975 being the cut-off date in terms of allowing railroads to abandon wholesale, if you like, the rail lines in western Canada, the government ought to consider putting a moratorium on that date in order to come up with a concrete proposal to western producers. In addition, the many hundreds of thousands of people who live in these small communities deserve a concrete answer as to the kind of national transport policy they are going to have and the kind of service they are going to get from the transportation system. The government ought to take the step of letting the producer know what kind of system he is going to have for the movement of his grain, what kind of cost he is going to incur if 610 miles of line in the Assiniboia constituency are abandoned, and over 2,000 miles of line, I believe, in the province of Saskatchewan. Hundreds of smaller or middle-sized communities on the Prairies are threatened by that kind of abandonment at this stage of development. I would hope that some minister of the Crown, the Minister of Transport (Mr. Marchand), or the minister in charge of the Wheat Board who likes to stick his finger into transportation, would give us some answers to this all-important question.

One other question that needs an answer concerns the closing of the station agencies. The hon. member for Mackenzie (Mr. Korchinski) raised this problem in the question period, and I hope he doesn't mind my mentioning it. It affects southern Saskatchewan as well. What kind of operation is being conducted when a railroad establishes a "servo centre" working out of the two major centres in the province of Saskatchewan, Regina and Saskatoon, then says it is for additional service to the producer and the people in the smaller communities. All the station agents are removed from those areas and then the company takes the opportunity to try to explain to these communities what this service centre is? They all know what it is. It is a telephone line which can be attended to in the city of Regina at a given time by some guy in an office who answers inquiries about some service some producer needs. If the producer is lucky he might get results by the end of the month. That is the kind of servo centre which is being developed in the prairie region. That is the kind of nonsense we put up with from public and privately-owned

railroads in this country, and the kind of system we have when there is no national transportation policy whatsoever.

In view of the spending on transportation studies by the Canada Grains Council and such things as the notorious group called the Great Plains project, there ought to be an explanation in this House by the Minister in charge of the Wheat Board to the Members of Parliament as to the allocation of funds for those two projects and an explanation of the kind of work they are doing. The Great Plains group talks about western development. The group is made up of highly established officials of the boardrooms of large multinational corporations and national corporations. There is not one representative of the western producers included, and the group works out of the Prime Minister's office. Where is there an explanation of that particular item in this debate related to transportation?

What is going on in the Canada Grains Council when two major farm organizations, the National Farmers Union and the Wheat Pool withdraw their membership? Why did they withdraw? What is the Canada Grains Council a front for if it is not a front for the private grain exchange in Winnipeg, the friends of the Conservative party, the friends of the Tory party? I am talking about the private Winnipeg grain exchange, something we New Democrats would like to see eliminated from the grain handling business. Bring flax, rye and rapeseed under the Wheat Board and quit fooling around.

That kind of question should be answered by one minister of the Crown. There is a long list of them. For example, the minister in charge of the Wheat Board, since he wants his finger in the transport pie, should explain to members of the House of Commons the agreement to pay for the expenses and the depreciation of the hopper cars which are leased to the railway. There is not a producer in the west who does not know that the railroad could improve its rolling stock. There isn't a producer in the west who does not know that the railways could use many more than 2,000 hopper cars. But there isn't a producer in western Canada who doesn't know that for a hundred years or so the old line parties have backed the railways versus the producers by way of grants and money and rates, you name it, Mr. Speaker. They know that $48 million spent on hopper cars is a kind of subsidy to the railroads. Under the Railway Act the railways have to provide proper rolling stock for the Prairies. Anyway, they are supposed to do so. Yet we have had to live with boxcars which are beyond description. So we need hopper cars, but we don't need to encourage the railways to abdicate their responsibilities to the western producer and use Canadian taxpayers' money to provide a subsidy to the railway. The minister can tell us about the agreement on that particular issue. Who is paying for it? Is the producer not paying for maintenance and depreciation of hopper cars?

We could go down a long list of questions on which I wish to spend a few moments, questions on which I am sure my colleagues will expand and to which the government should give answers during this debate on second reading of the bill before us. One of the most fundamental ones, and one which was raised again today in the House, is the question which has been asked in the past by the leader of our party relating to the future of Air Canada

and landing rights in Milan. Further to this, the minister could talk about the carving up of the world in terms of the private CP line and the Air Canada line. As far as I am concerned, when it comes to air transportation and air service, Canada needs, like most of the western world countries, only one publicly-owned airline. It does not need the CP whatsoever.

Aside from that, there ought to be an explanation during this debate as to the future of Air Canada if we are to continue to put money into it. Mr. Speaker, I have raised before the question of one of the ministers of the Crown, namely, the Minister of Finance (Mr. Turner), answering a question in relation to the CN continuing to carry a debt it should not necessarily have to carry. Further to this I suspect my hon. friend from Winnipeg North Centre (Mr. Knowles), will raise a question related to—if anyone can guess—pensions of railway workers who retired prior to 1956 and are not covered by collective agreements. That is the key point I wanted to make—those who are not covered by the collective agreements with the railroad. I am sure my hon. friend from Regina-Lake Centre (Mr. Benjamin) will bring up the question of freight rates, regional development and rail line abandonment and will seek some answers. I am sure my colleague from Saskatoon-Biggar (Mr. Gleave) will wonder about the kind of agreement that the Canadian Wheat Board and the railroads have chosen to adopt in regard to hopper cars. I am sure he will be interested in receiving answers to the questions he has asked in the House.

● (1510)

The hon. member for Scarborough West (Mr. Harney) will be interested in having some answers about the investment procedures used by the pension funds of the CNR and CPR, the manner in which workers' funds are used and the kind of corporations in which they are invested. In addition, I am sure the hon. member for Scarborough West will be asking questions about the CN needle, the 1,800-foot monstrosity to be erected in the city of Toronto to scare the life out of those unfortunate people from the prairies who happen to land in Toronto on their way to Ottawa.

There is one fundamental matter that concerns the Minister of Transport and I am sure my hon. friend from Saskatoon-Biggar will be interested in this question. I refer to a reinterpretation, a reassessment if you like, of the MacPherson commission report on transportation and its ludicrous proposal that what is needed is competition. What is really needed is one large public utility bent on servicing the people of Canada and not on private profit.

The hon. member for Assiniboia, as he has already pointed out, will be interested in having some substantial information about, and answers to, the question of rail line abandonment. I am sure that some of our colleagues from the maritimes and the prairie regions will be interested in having answers to questions they have asked about the future of passenger services. I am also sure the premier of British Columbia, Mr. Barrett, will be interested in some answers to questions concerning the possibility of using the railways to transport oil and gas from the Mackenzie region. The Minister of Energy, Mines and Resources (Mr. Macdonald) could use this opportunity to

take a few moments to disclose to the House what possibilities there are for transporting oil and gas.

I believe the hon. member for Fraser Valley West (Mr. Rose) would like to raise in this debate some very important questions relating to the situation in the yards of the city of Vancouver, a matter I have also raised, and the question of working to rule. A number of workers there are upset about working conditions and the kind of work crews there are. Perhaps the Minister of Labour (Mr. Munro) and the Minister of Transport will take an opportunity to answer these questions.

I am sure the hon. member for Yorkton-Melville (Mr. Nystrom) and myself, both of us being members in good standing of the Hudson Bay Route Association, will be most interested in hearing what is going to happen to the port of Churchill in regard to movement of grain. Prairie members of the New Democratic Party are vitally concerned with transportation questions and are extremely interested in the possibility of the government becoming involved in the development of an alternative route through the Rocky Mountains. My colleagues have pointed out to me that my good friend and faithful colleague from Timiskaming (Mr. Peters) has raised questions relating to freight rates and costs in northern Ontario.

Further, I have outlined to the government a number of subject matters that call for serious consideration. If this country is to develop in a cohesive way, and if there is to be national unity, then some fundamental questions that arise in the regions of Canada must be answered. For 100 years representatives from the constituency of Assiniboia and from southern Saskatchewan have come to this House and put the case regarding the very inadequate transportation system in their area. They have described the lack of service offered by the CNR and CPR. They have discussed in this House rail line abandonment, the question of freight rate structures, the question of alternative routes through the Rocky Mountains, more adequate use of the port at Churchill, and public transportation facilities offered by Air Canada and the CNR.

It is time that the government of this country took the opportunity that is afforded to it in this minority situation, not of setting aside answers for a future debate on a CN financing bill for another year, but of outlining to Members of Parliament and the people of Canada a clear and concise national transportation policy, letting the people of western Canada and those in the regionally disadvantaged areas know what policy the government has for meeting the serious needs of national transportation.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I am glad to see Bill C-164 before the House, because I have a few comments to make before it is referred to the Standing Committee on Transport and Communications. The bill is entitled, and I quote:

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

CNR and Air Canada

Mr. Speaker, every time a bill like this is introduced, I have the impression of watching a poor comedy. For in the past, whenever we have tried to draw the minister's attention to the administrative deficiencies of the CN, and point out to him the monstrous mistakes made by the officials who administrate railways which have caused millions of dollars of damage in all kinds of derailments throughout the country, especially the province of Quebec which has the shortest railway mileage in proportion to its population and where the service leaves more to be desired than anywhere else in Canada, we have always received the impression that those in charge of the corporation wanted to cut off all passenger services in the province of Quebec, so as to get all it could in taxes from its population of over six million, and improve services in other provinces, if only by doubling its office staff, who would only be there to wait for the trains. At the rate we are going, there will be no more passenger trains in a few years because we will have managed to put off even those who are still stubborn enough to use this service.

What has been, what is and what will be the minister's response to repeated appeals and denunciations, and to the demands of the population in these areas? "The CN is a Crown corporation and I can do nothing but receive its annual report" is the minister's systematic reply. But we have reached the point where even the high-ranking officials of this company no longer need to come before the Standing Committee of Transport and Communications and condescend to keep the House informed as to what is going on in the field of transportation.

● (1520)

What happened during the years 1970, 1971 and 1972? And where are the 1973 estimates? I remember the time when Mr. Donald Gordon, the former president of the Canadian National, was so often called to account, and spent hours answering hon. members' questions but, at least, we had someone to give us information. Today, the president does not even dare come and face ordinary members of Parliament.

The Parliamentary Secretary of the Minister of Finance (Mr. Comtois) seems to introduce an unimportant bill whose passage according to his own words, is nothing but routine work that we should approve without any problem. That is typical of the hypocritical way the government proceeds. Besides, it is not the first time that I claim this proceeding to be improper. Every time the government introduces a bill which provides just one more dollar for the taxpayer, in services that are being claimed for years, they seem to believe that they are doing wonderful things.

I might give the ridiculous example of the $13 a month increase in the old age security pension, and the $100 yearly increase in basic exemptions for income tax purposes. You would have thought that the government was about to grant $2,000 to all Canadians. It was said that this bill was not like any other, that it would bring to the former law unsuspected amendments, that those increases were simply fantastic and a lot of publicity was made about those minor increases.

However, the same government is introducing Bill C-164 involving almost one billion and a half dollars which

Canadians will have to pay with their taxes. In fact, this bill will allow the CN to invest $225 million in 1973 alone and $75 million during the first six months of 1974 so as to pay, before July 1, 1974, a debt amounting to $169,500,000.

Moreover, with workers' taxes Air Canada will be paid $140 million to meet its commitments from July 1, 1973 to June 30, 1974 and a very small amount of $13 million as a guaranty on its debentures for all the rest, namely anything not involving administration since 1971 about which we have been given no detail. All this is only peanuts. In fact we are told: The House is burning down but otherwise everything is going fine. This is a picture of our puppet representatives in front of technocrats who do not give a damn about parliament as they are protected by the government.

If you read the speech of the Parliamentary Secretary of the Minister of Finance, you will find all the candor which senior civil servants can use to render the situation even more tragic.

The parliamentary secretary of the minister said and I quote:

> Hon. members will remember that the 1971 bill (which included certain provisions for 1971 and 1972) had not been read for the second time when the 28th Parliament was dissolved.

This means that this bill covers 1971, 1972, 1973 and 1974, so I wonder how the Canadian National and Air Canada got the necessary funds during the past few years. And when we ask why this government has not taken any measures, why Bill C-4 has been nipped in the bud, it simply cannot lay the blame on obstruction by the opposition since it had an absolute majority in 1971.

This government was more concerned at that time by all the omnibus bills they had passed by all their "yes men" rather than introducing and having passed by this House bills which are necessary for the good operation of our country's administration.

Will the minister tell us, when this bill is considered in committee, what the government had to hide in all this matter of the CN.

It is indeed unexplainable that a Crown corporation receives such protection from government. Why was the minister not satisfied only with tabling the CN budget in previous years, without ever giving Parliament the opportunity to approve or reject it. Why did the government deliberately leave the CN money bills on the order paper after having refused to table the annual report and the auditor's report at the stage of the second reading?

As sixth objective, the parliamentary secretary of the minister announced the appointment of auditors for the years 1972, 1973 and 1974.

Mr. Speaker, I have been in business for over 30 years and it is the first time I have seen auditors appointed after three years of hiring. I have already said that if all private enterprises or the other Crown corporations used the same criteria as the Canadian National to administer themselves, they would all go bankrupt within six months. A Crown corporation can only survive because its administrative deficits are always made up by the workers' taxes and this is the principle which I have been struggling against since I first sat in the House. I do not want the

poor, the family head, to pay for a small group of inefficient bosses.

If Crown corporations cannot hire efficient people who decide to get to work instead of sleeping in the offices the workers have offered them with their taxes, I say these corporations should be transferred to individuals who would be able to operate them efficiently. I have already said it and I say it again, the administration of a government business costs three times that of a private enterprise. Why? Because in private business there are responsible persons who are personally interested, while nobody is responsible in a nationalized company because no one is specially concerned.

● (1530)

This is why the management of Crown corporations is so expensive. In addition, the technocrats who are directing the country are always too much interested in their own comfort and security to have enough time to consider the services which they should provide to the people.

In connection with those services, I hope that the minister will deem it advisable to ask the officials of the CN, including its president, to appear before the standing committee of the House, to give an account of their management and say why it is impossible to meet the responsible persons when an emergency occurs.

Last week, for example, I again witnessed an unfortunate incident. The train had left Montreal at 8 o'clock p.m. for Chambord, when it had to stop because a freight train had derailed eight miles farther. This happened at five a.m. and I was waiting, with all the others, for somebody to come to our rescue; around eight o'clock, I asked the conductor whether the authorities of the Canadian National had issued the required orders so that all passengers could reach their destination. That is when I learned that no one dared take any decision, in spite of the recommendations of the conductor and his assistants that first they had to feed the 84 passengers and then hire buses to take them back to civilization.

There were, I said, 84 passengers on the train and there was no cafeteria car between Montreal and Chicoutimi; they had removed the cafetaria car, in short, they had taken away everything. There was only a little bar where they served nothing but beer and other alcoholic beverages. That does not feed anybody, Mr. Speaker. I am telling this to hon. members so they may be aware of the stupidity of those responsible for the passenger service of the Canadian National in the Saguenay-Lake St. John area and know that this little bar is in the same car as the few bunks available on that train. Train technocrats call that a "sleeping car", Mr. Speaker, but bottles, screams, songs and music disturb everyone. I guarantee one thing, Mr. Speaker: if ever you travel on that train, you will get no sleep.

My time is almost up. Back to the derailment. I want to say that the Quebec authorities had decided, in their wisdom, not to give anything to eat to the 84 passengers and not to give bus service. Everyone was therefore condemned to spending 15 to 16 hours, in some cases even 24, waiting in the forest.

When the news came out, I took it upon myself to get in touch with the Quebec office and tell the people in charge

what I thought, adding that if the required services could not be given, I would call up Ottawa to get some action. That is when the person in charge in Quebec decided a sandwich and coffee would be made for each passenger and two buses would be sent. And so we got to Chambord—because we were about 100 miles from there—around three o'clock that afternoon, and in a school bus.

In passing, I would like to congratulate the train personnel for having done their best to help the passengers. But they had nothing, so what could they do?

Mr. Speaker, for many years now we have been telling the government that our area is shockingly being discriminated against as concerns transportation. In all the province of Quebec, ours is the area which brings to the Canadian National almost the largest freight revenue and yet we are unable to obtain a single sleeping car on the Montreal-Quebec line. Still, they will come to the committee and say: The service is perfect. It is so perfect that everybody is fed up and nobody wants to travel on that train. And yet, 20 years ago, we had not enough of 20 cars on that line. Today, there is one to be divided between Chambord and Dolbeau. I am saying that at the present rate, within two or three years, there will no longer be passengers because nobody will care to take the train.

I avail myself of this excellent opportunity to make all the members of the Standing Committee on Transport and Communications aware of such situations.

I have provided just one example; all the derailments that have happened over the last ten years in the Saguenay-Lac Saint-Jean area have cost millions of dollars, Mr. Speaker, not to the Canadian National but to the taxpayers of this country.

That is why I was saying a moment ago that the Canadian National authorities are practical jokers who enjoy making fun of the Canadian people. As far as I am concerned, the joke has ended. Either some cleaning has to be done in the CN or everything has simply to be sold. Let the government sell that Crown corporation to some private enterprise, and then we shall be sure to have at least equitable service adapted to the needs of the people.

Once more, I invite all the members of the committee to request its chairman to send for the responsible people as witnesses, to have them questioned and have this matter clarified once for all. Let them at least tell the committee that they have sworn to have this line disappear. Then, we shall know what to expect, and grants might be curtailed. Once more I appeal to all committee members for a serious discussions of this question.

I would have something to say about Air Canada but as there was too much to criticize about the CN, I think I will leave to others the task of dealing with Air Canada. But I want the case to be brought before the committee, to have these incompetent people appear before it in order to learn about certain things, make a clean-up and attempt to appoint at least a few qualified people.

[*English*]

Mr. Jim Balfour (Regina East): Mr. Speaker, I welcome the opportunity to join in this debate since it affords me the chance to discuss, in a fairly general way, rail transportation problems as they affect the economic life of western Canada and, in particular, the economic life of the province of Saskatchewan. Much has been written and spoken in the past by prairie groups and western Canadian politicians on the prejudicial impact the existing freight rate structure has on the resource and industry development potential of the prairie provinces. Without the availability, however, of an efficiently run rail transportation and product handling system designed to meet shipper needs, making maximum use of the advantages rail technology has on the economic development and marketing of prairie natural resources in terms of costs to the producer, any success in achieving a downward revision of the existing freight rate structure will have limited impact on prairie resource development. The level of rail freight rates, relative to other producing and consumer areas in Canada, has long been a matter of vital concern to the prairie provinces and more particularly Saskatchewan.

● (1540)

Saskatchewan, historically and currently, is plagued by the handicap of paying a disproportionate share of transportation costs in marketing products in common world and domestic outlets. Saskatchewan residents also pay a high price on transportation of consumer goods purchased, predominantly in the major producing areas in eastern Canada. Geographically, Saskatchewan's continental location—approximately 1,200 miles to tide water at the west and about 800 miles to the lakehead—results in the provinces' wheat producers paying the highest average rail rates on export grain, and potash producers paying the highest inland transportation cost to place potash at tidewater, compared with other world wheat and potash producers and exporters.

It is, therefore, obvious when looking at a map of Canada that Saskatchewan has a real transportation cost differential to overcome because of distance when buying and selling in major domestic and foreign markets. Distance, however, is not the only factor affecting the level of freight rates in Saskatchewan. Competitive factors are also important. The railways' practice of charging different rates for the same service has been justified by some because of competitive forces. The existence or non-existence of competition is probably the most widely applied reason for the differential price of transportation, and I accept that the railways should not be denied the right to meet competition.

There is, however, no doubt that the lack of competitive forces in parts of Canada, particularly in western Canada, has had an impact on railway revenues. The availability of water competition in eastern Canada has, from the beginning of the railway era, exerted considerable influence on the freight rate structure in that area of Canada. Saskatchewan recognizes that, to some extent, for a portion of the long hauls inbound and outbound from eastern Canada, the existence of the waterways has eased somewhat the burden of over-all costs for the movement of Saskatchewan products and consumer goods. As water competition, however, is concentrated exclusively east of the lakehead, except for the existence of transcontinental rates which benefit British Columbia and disadvantage the Prairies, the complete lack of water navigation on the Prairies places eastern Canada in a much more favourable competitive position. As compared with the situation on the Prairies, a very large proportion of the total pro-

ductive output in eastern Canada is moved under the influence of water competition. Practically all of the large industrial centres in eastern Canada are located on natural waterways.

Proportionally as well, the development of road transport in the east and its consequent competitive impact on the railways has benefited eastern shippers to a much greater extent than has been the case on the Prairies. The railways have been forced to establish relatively low rates in eastern Canada to meet this competition, thus placing a heavier transportation burden on prairie shippers who lack the advantages gained from the availability of this competition. The lack and dispersion of population in the prairies and the nature of the outbound traffic—relatively low value, long haul and heavy loading—is not conducive to the development of comparable trucking competition.

Yes, Mr. Speaker, the west pays dearly for its position as captive shipper to the railroads. In eastern Canada, water and truck transportation pose serious competition to the railroads, and rail rates are consequently held down. But the railroads have compensated for these relatively low revenues by charging high rates in the west. Between 1948 and 1958, the rate disadvantage to prairie shippers was fostered by a series of horizontal or percentage increases authorized by the transport commissioners. The increases applied predominantly to commodities and areas lacking in alternative modes of carriage. Consequently, the prairie provinces suffer a competitive disadvantage for marketing raw and manufactured commodities in terms not only of distance to markets but of higher rates per ton mile than eastern shippers pay.

The net results has been the favouring of industry in Ontario and Quebec and the retardation, particularly of secondary industry, in Saskatchewan. The railroads have co-operated with eastern industrial interests in maintaining this disparity. The rapeseed crushing industry is a case in point. The present rate structure dictates that it costs only 65.7 cents to transport one hundred pounds of unprocessed rapeseed from Saskatoon to Montreal, while the combined cost of transporting the crushed products, oil and meal, from that one hundred pounds is 102.3 cents.

Although for a number of reasons it is more economical to produce oil and meal on the Prairies, this 34.8 cents cost differential per one hundred pounds makes it cheaper to ship rapeseed east for processing. Eastern crushers, in short, enjoy a competitive advantage due solely to the existence of discriminatory freight rates. When the prairie crushers applied to the Canadian Transport Commission for rate modifications, their application was opposed by the two railways, the eastern oilseed processors, and the province of Ontario.

Present developments in the rapeseed industry dangerously parallel the situation of the flour milling industry in eastern Canada, similarly caused by discriminatory rate structures. As a Saskatchewan Member of Parliament, I accept the point of view that our geographical disadvantage, in terms of distance to markets, is a fact to be lived with. But the west cannot be expected to subsidize low water and truck competitive rail rates in other regions of Canada where high rates prevail at the expense of diversification and development of local industry. The situation is particularly intolerable in view of the fact that the west is largely cut off from natural trading areas to the south and across the Pacific by protective tariffs. Our agricultural produce is sold in an international competitive market, yet, we must buy the manufactured products of eastern Canada. It is patently unjust that the west be hampered with discriminatory freight rates in developing its own secondary industry.

The national policy is explicitly opposed to the exploitation of one region by another. The evident tendency of the railways to persist in instituting rates prejudicial to industrial development in the west calls for stricter government control in rate setting. From this standpoint, the national transportation legislation of 1967 which allows the railways more freedom in instituting rate changes is a step backwards. As instruments of national policy, the railways cannot be permitted a role in the maintenance and promotion of regional disparity, by whatever device. The province of Saskatchewan has the most unfavourable transport position of the three prairie provinces, both from an import and export point of view. Our closest port is Churchill, at present limited to an 85 day season. Our main domestic markets for potash, pulp and lumber are in the mid west United States, a long all rail haul. Because of our central, land locked geographical location, our weak truck competition, and because the railways have been given the freedom under the National Transportation Act of 1967 to vary rates without reference to the regulatory authority, Saskatchewan makes the highest contributions to rail overhead costs on all rates, except export grain, of any province in Canada.

The railways perform certain services in the public interest for which they are paid subsidies. Since the passage of the National Transportation Act, some $410 million has been paid to the railways to the end of 1971. In addition, freight rates have been increased anywhere from 29 per cent to 67 per cent. In the intervening period, the railways have been confronted with enlarged export movements of coal, potash and grain. In fact, the railways have been unable to cope with the demand for certain freight services because of equipment shortages. Thus, potash sales go by the board because we cannot move it in sufficient quantities to Vancouver, and the federal government has to purchase 2,000 hopper cars for grain.

This brings me to a discussion of the National Transportation Act and some of the consequences of the removal of regulations in the railway system. The nub of the National Transportation Act of 1967 is expressed as follows:

> Regulation of all modes of transport will not be of such a nature as to restrict the ability of any mode of transport to compete freely with any other mode of transport.

Released from regulation of rates, except when the Canadian Transport Commission might be asked by a shipper to review a rate, the railways have adopted an almost automatic formula for rate increases—one in the spring and one in the fall—without having to account to any regulatory tribunal. Since 1967 the general freight rate level has increased, as I have stated, from 29 per cent to 67 per cent depending on whether or not the rates are between eastern and western Canada or within western Canada.

● (1550)

The reason we in western Canada are suffering a 67 per cent maximum increase in rates can be understood more readily if we examine the following figures relating to the province of Ontario. It has been estimated that in Ontario 65 per cent of all freight loaded is transported by truck, including well over 80 per cent of all manufactured goods. No such comparable situation exists in western Canada, and particularly in Saskatchewan. In Ontario and Quebec, competition has acted as a brake to increasing transport costs. In the west, longer distances, small plants and low production volume of secondary industry, sparse population, plus a dependence on primary agriculture and resource industry, have militated against a breakdown of the rail monopoly and we pay the penalty in higher rates.

What can we do about excessive freight rates? As I have mentioned in my brief summary, a shipper can appeal to the Canadian Transport Commission to review a freight rate if the rate seems "to prejudicially affect the public interest". If the shipper makes a prima facie case to the commission, the commission will hold hearings and conduct an investigation. The rapeseed crushers of Western Canada and the Prince Albert Pulp Co. are cases in point. In fact, they are the first major cases placed before the commission since the new act was put on the statute books.

The rapeseed hearings lasted five weeks in Saskatoon, plus additional hearings in Ottawa. Legal counsel represented the three prairie governments, the governments of Ontario and Quebec, the eastern and western crushers and the railways. The total cost will run into hundreds of thousands of dollars. Without the support of our three provincial governments, the rapeseed crushers could not have processed their legitimate case. The Prince Albert Pulp Co., seeking reductions in rates into the United States, had to proceed before the interstate commerce commission in the United States as well as the Canadian Transport Commission. Here, too the total costs will be in the hundreds of thousands of dollars. You can see that only large companies or governments can successfully cope with appeals against unjust freight rates at the present time. The dice are loaded in favour of the railways in so far as the average shipper is concerned and unequal-handed justice is dispensed from Montreal or Winnipeg.

I submit that the Canadian Transport Commission has shown, to date, a pro-rail bias. I had hoped that when Mr. Pickersgill retired, a person familiar with regional transport problems would be appointed chairman. In fact, representations to the federal government to this effect were made by western Canadian provincial governments. What happened? We got Mr. Benson. I do not want to prejudge the new chairman but we from the west, and people in the Atlantic provinces as well, are sick and tired of having our vital problems of transportation decided finally by retired Ontario politicians. We demand that amendments be made to the National Transportation Act to simplify appeals against unjust rates so that the average shipper has access to the commission. We want a bridle to be put on the seemingly insatiable demands of the railways for high rates. We want the railways to maintain an adequate level of service to western Canadian communities.

CNR and Air Canada

What is required, Mr. Speaker, in western Canada and in Saskatchewan specifically, is a national transportation policy which is directed toward regional development. Instead of milking the west and keeping it as a source of raw material, a determined regional and national effort must be made to broaden our industrial base. When present transportation policy is a deterrent, as it now is, that policy must be changed. We must use our transportation policy as a vehicle of regional development.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have listened with interest to the hon. members who have spoken on this important subject this afternoon, and I am surprised that once again government members are not interested in what is happening with respect to the financing of Canadian National Railways and Air Canada. Apparently they believe that we should pass this item and proceed to another order of business. If this matter is not important, then obviously there is really not any point in discussing it.

I note that the Parliamentary Secretary to the Minister of Finance (Mr. Comtois) is here, but really this is a transportation matter and concerns something that has been the cause of a lot of problems to a lot of people over an extended period of time. A great deal of it centres around the financing of the railway. I have been glancing over some of the figures, and really nothing has changed. The last financial statement I have for the Canadian National is the annual report for 1971. All one needs to do is to read the general survey of the report. It shows gross revenues less non-rail revenues at $135 million. It shows operating revenues of $1,148.8 million, and expenses of $1,119.5 million. Net railway operating income was $21.3 million, other income $22.9 million, and net income before interest on debt $44.2 million. Net interest on debts totalled $68.5 million. That is the crux of the problem, Mr. Speaker. Are we going to be stupid enough to allow the government to continue something that has been recognized by most Members of Parliament for years as being in itself completely stupid? Or are we going to change the situation?

In the last parliament most of us decided that we would not pass the next financing bill of the Canadian National. So, an election took place. That situation does not exist now. I would like to know from the government how the hell it got around that situation. It has an obligation to tell us. What kind of tool did it use to do something it was not able to do in parliament? Did it use treasury bills to finance the Canadian National capitalization debt? Or did it just let the debt accumulate? It may seem as if this bill is a small item. My arithmetic is not good, but I have added up the figures and they come to approximately $486 million for the Canadian National and $270 million for Air Canada, which is about half a billion dollars for CN and a quarter of a billion dollars for Air Canada. To a Liberal government, the way it plays around with figures, that is not a sizeable amount of money, but we have not been given an explanation of what happened to the debt last year. It came to a total of $70 million. We did not pay that.

The reason that I and other members are interested in this is that the Canadian people have been told that they own the Canadian National, ever since the days of the Grand Trunk and the other railways that went broke.

That happened long before my time. But, Mr. Speaker, we have never paid for it. It is like buying an automobile and never becoming the owner of it. You pay the interest on the debt, and eventually the automobile wears out, so that you end up not owning anything. We still do not own anything in so far as the capital debt of the Canadian National is concerned. One does not have to go through the whole financial report to understand this. Most members are not competent to understand the financial report, and I confess to being one of them, although I have studied the CN report for a number of years and do know a small amount about it.

I know that in 1970 we paid $75.5 million as interest on debt, but before making that payment the railway had a net profit of $45.8 million. In effect, we have not reduced the debt at all. Some of that debt is owing to people who are long dead. Some of it carries an interest rate of 3 per cent in perpetuity. Bonds are still held by people in England and still carry an interest rate not unlike the previous one. This year the Canadian National Railways made a profit of $44.2 million, so it could have bought the hopper cars or established some branch lines or put a line into the Arctic if that were desirable. However, it could do none of those things because this year we have payment on the debt of $68½ million. In times of war or other times when we find that we cannot pay off the principal of the bonds we put that amount into the national debt and pay out of national revenues the amount necessary to carry that debt. The debt is to buy the railway, not to operate it. Is it not time that we decided to write off the debt so that we can look at what the railway is supposed to be doing?

● (1600)

This bill indicates that the loan to Air Canada will be limited to $1 billion. We are going to lend Canadian National $270 million, but this gets mixed up with what was originally the capital for the purchase of the railway and what is normal operating expenses. An examination of the financial structure will show who owns the shares in Canadian National Railways, and the exact interest rates being paid, but there is a division between capital expenditures being made for current operating purposes and the capitalization originally provided to buy the railway on which we pay this huge amount of interest.

Some hon. members have mentioned problems in their particular areas. In my riding of Timiskaming there is the wholly owned Northern Ontario Railway, the Canadian National Railways and the Canadian Pacific Railway. Most of us know that the railways are not operating to the advantage of many areas in this country. They are not doing the job they should in the Maritimes or in northern Ontario. In fact, I believe they are not doing the job that they should in any part of Canada.

I was amused by a question which was asked today about amalgamating the services in Regina and Saskatoon. Many members from Ontario wonder what the improvement would be in the new service, and whether the service centres were going to eliminate the people working at the stations. Apparently a telephone service would enable you to order a boxcar or arrange for carload freight. It can all be done by a telephone call to the service centre. It has not worked to our advantage—the rates keep going up and the service keeps going down.

[Mr. Peters.]

Yesterday I boarded a plane at six o'clock and arrived in Ottawa a little after eleven o'clock. That is the kind of service that is provided in northern Ontario. It would only have taken an extra two hours to drive the distance. Most of my travel is around Ontario. Years ago I used to be able to get on a train, go to bed, and wake up in any of the major cities of the country. The other day I ordered a bedroom and I found that it cost $28. What do I get for that? I am sure I am not interested in the porter—they do not even have stewardesses on the train. I am not sure what I get for the $28 except that I am getting rooked. The price of a bedroom is a disgrace when nothing has been added since it used to cost $12. The railways are pricing themselves out of the market.

The annual report mentions that Canadian National has applied for abandonment of most of the passenger services in Canada. This is not because they want to get out of the passenger business but because the CTC said that unless they make the application for abandonment they are not entitled to the 80 per cent subsidy the government will provide. Mr. Speaker, we can do something about putting the Canadian National Railways on a sound national basis. We can pay off that debt so that we know what the railway is making. The railway is making a profit of $44 million, but the interest payment on the capital debt is $68½ million, leaving a deficit of $25 million. It seems to me that we must make some changes.

We have done some other foolish things in the area of transportation, Mr. Speaker. In this bill there is a reference to paying for an aircraft in sterling. Obviously, this would be one of the large superjets that we contemplated buying several years ago, the supersonic aircraft. No consideration has been given to building an airport for this type of aircraft which travels at three times the speed of sound. We have made no attempt to provide ground transportation to cope with such a modern society. We are still in the horse and buggy days—perhaps we have moved one step ahead, since we are no longer firing boilers with coal but have diesel engines now. However, that is all we have done. I am sure there is some Canadian National rolling stock still around which is steam driven and which has not been upgraded. I suggest that much of it is in the passenger service.

We are going to buy STOL aircraft to fly from Ottawa to Montreal. If we had a rapid transit system similar to the monorail in Japan which travels at speeds up to 300 miles an hour, it would be possible to travel from downtown Ottawa to downtown Montreal in one half the time required for STOL. There would be half the disadvantages of STOL. There would not be the dislocation of people and that sort of thing. We would not have to buck the traffic, nor would we have to drive on a speedway to the airport.

● (1610)

This is most amusing. In Ottawa, we built a speedway to the airport to facilitate traffic. We then allowed the National Capital Commission and the RCMP to use it as a source of revenue. In the city, the speed limit is 35 miles an hour and on the airport speedway, the limit is 30 miles an hour. Possibly the minister thinks that is a scenic drive and people will want to look around. I thought it was designed to speed up airport traffic, but that is not true. We drive faster in the city than on that blooming park-

way. That is the way we run our transportation system. Everything is backwards. This is what is happening in all fields of transportation. We have not faced the major problems. We have not faced the problem of financing the railway. Until we solve our major problems, many other problems will remain unsolved.

There may not be much support for building a railroad to the Prudhoe Bay area. It may not be possible to haul gas and oil by tankcars. It may not be possible to build a line along the west shore of Hudson Bay into the high Arctic. It may not be possible to extend the railway from Pine Point to the Arctic. History will show that this is by far the most advantageous way of opening our north.

I know something about northern rail lines. There is one in northern Ontario which was built through 100 miles of muskeg. If you got off the ballast track there, you would have difficulty walking. This line goes through many miles of low land before reaching Moosonee, but it has not disrupted the ecology of the area. It is a year-round facility that meets the needs of that area and, in my opinion, it should be expanded to meet other needs. I am not suggesting the CNR should have three or four lines into the high Arctic. However, we should be considering a railway line into this area. Already there is talk about using air tankers to bring oil to Montreal. We should be considering a ground facility. However, the general public would not support such a proposal as long as we do not have the brains to eliminate the financing problem that has been carried on for almost 100 years since we bought the bankrupt railways at an exorbitant price. We have never been in a position to pay off the principal. We are still trying to carry the interest.

We should look at this financing bill in a realistic way. The government should have enough gumption to tell us how the problem was solved last year. If the government does not need parliament to pass this bill, then let us move on to another order of business. It the government is really interested in the development of transportation, they should be honest enough to tell us what is being financed. Does the government intend to use this money to give a 3 per cent or 4 per cent cost of living increase to the widows of those who retired from the CNR many years ago? Do they intend to increase the pension of retired railroad workers? Do they intend to purchase new equipment or are they going to continue to pay the debt under the guise of other methods of financing? Obviously, the government has used other methods in the past. Last year parliament did not pay $75 million. This must have been paid in some other way or added on to something else. Before considering this bill, we need answers to some of these serious questions.

I have often said that we in this party are not interested in maintaining a second Senate, the Canadian Transport Commission. This Commission has been totally unsuccessful in handling the problems of the railways and other transportation problems. We have the idiotic situation where a second airport is being built outside of Toronto. Because one was built near Montreal, we must build one near Toronto. Because a white elephant was built at Ste Scholastique, we must build a white elephant at Pickering. Surely, there is more to this country than satisfying the idiosyncrasies of the people who live in Toronto and Montreal. If one city gets something, the other must have the same.

If the Canadian Transport Commission is going to do anything, it will have to solve some of these idiotic problems. Parliament should make the commission deal with some of the problems which face individual Members of Parliament. The transportation system is not satisfactory in any part of Canada. All kinds of deals have been made over the years that no longer apply. Many concessions that were made are no longer applicable. If some of these problems were solved, it would help the disadvantaged areas of this country. Whenever I attend a meeting in northern Canada or the Maritimes, I am always informed that it is the transportation problems that retard development. If that is true, every member who represents those areas should violently object to the passage of this bill until the government tells us what the transportation policy of this country is.

Although there are only slightly more than 20 million people in this country, we have two international airlines, plus the charter airlines. It was decided that CP should service one half this country and Air Canada the other. Any reasonable government would amalgamate these two airlines. There are reasons for not amalgamating the railways. They have been around a long time. They have built-in peculiarities, and have been given all kinds of benefits. There may not be any equality in rail transportation unless we take the whole Canadian Pacific and the whole Canadian National and unite them. But that is not true of Air Canada and Canadian Pacific Airlines. This is the only country to my knowledge which allows itself the luxury of two international airlines, one going to the east and one going to the west. If Mr. Pratt has guts enough to stand up to the government it will be a surprise to me because he has never done so before. I congratulate him and I hope he wins in his fight to see that Air Canada goes into Italy. Why not? This area does not appear to me to be in Asia or the far east. It appears, to me, to be close to Central Europe. If the old agreement were in force, Air Canada would have control of all the developments in the western area.

● (1620)

We should amalgamate those two air services. They should be considered as one agency, an agency of which Canadians should be proud and which they could use to make travel arrangements whether they were going east or west. We could call it whatever we liked. One of the largest airlines in the world is BOAC. Just a few months ago it amalgamated with its domestic counterpart. These companies, in England, were handling overseas, domestic and charter business. The decision has now been taken to amalgamate for the sake of efficiency, and I believe this decision meets with the approval of most people around the world who have become accustomed to using BOAC and identifying it with Britain.

You know, Mr. Speaker, I am not opposed to Canadian Pacific. If Canadian Pacific wants to take over Air Canada I would probably not have much objection. However, I think it is idiotic to allow these two large airlines, one in the east and one in the west, to operate as national airlines when we are such a small population in such a large area, and when so little service is provided in certain areas. I am

sure that even some of those who would not like to see Canadian Pacific taken over would agree that we in Canada are not getting service in feeder line areas. A while ago we decided to give northern Ontario to Nordair. Nordair does not want it. Nordair wants the line into Toronto because it is a paying proposition. But they don't want to go into northern Ontario. They don't want to go into Val d'Or. They don't want to go to Rouyn. They don't want to go to Timmins. They don't want to go to Sudbury. They want to fly from Montreal to Toronto.

If Air Canada had all the air routes in Canada, I am sure that what they lost on the apples they would make up on the oranges. They could run the overseas flights and they could run the trans-Canada flights—yes, and they could run flights into the areas represented by the hon. members to my right and give them better service to the main distribution points. I am sure that since it is a northern riding the minister is aware of many places from which people find it difficult to find scheduled flights to the north or south. That is true all across this country.

I am, personally, of the opinion that first things should come first.

An hon. Member: Hear, hear!

Mr. Peters: Most members of the House in the last parliament were agreeable to the proposition that the first thing to be done involved the financing of the Canadian National Railways. Then, we would decide what was to be done about the company's capital structure. There is no question that Canadian National will need to borrow money. But any money borrowed to expand the railway should be money that the company is capable of repaying. But when we saddled the company with a debt which the company inherited when it came into being,—and, remember, it is parliament which always picks up the interest on this debt—it occurs to me that we did not buy this service; we just borrowed it from somebody and are just keeping up the payments. It is high time we did something about this situation.

Mr. Speaker, the government does not appear to be interested. The Minister of Transport (Mr. Marchand) is not here. I do not know whether the parliamentary secretary is here or not.

Mr. Knowles (Winnipeg North Centre): No.

Mr. Peters: I don't know who he is, so naturally I do not know if he is here or not.

Mr. Knowles (Winnipeg North Centre): He is the hon. member for St. Boniface (Mr. Guay).

Mr. Peters: Well, he may have to travel back here by rail and in that case we may not see him until after Easter. If he does travel by rail, he will be doing his job. I am sure most Members of Parliament have not been on a train for years and years. I am sure the Minister of Transport has not been on a train for years. My hon. friend from Winnipeg North Centre has just disillusioned me by saying the parliamentary secretary was here earlier in the day and that he is therefore unlikely to be traveling around in the train finding out about the system.

What I am saying, though, is that there does not appear to be much interest in the subject we are discussing. Yet it is an important subject. I am of the opinion that Canada has not outgrown the railways, that there is a need in this country today for railways and that this need will continue for a long time to come. In particular, those who come from northern areas are well aware that when an area is developed by railroad there is a permanency to the development which cannot be brought about in any other way. It has certainly not been achieved by highway development. I believe this is true of the developments in Labrador, of the developments in Newfoundland, of the developments in northern Ontario and other regions.

It is interesting to note that northern Ontario developed and became a recognizable area only when the government of Ontario was forced to build the Colonial Railroad. When they did so silver and cobalt were found, and that is how Toronto was born. Before that, there were cabbage towns with few people and little money. After the railroad went into northern Ontario, nickel was found in Sudbury, gold was found in Kirkland Lake and Timmins, copper was found in the area and for years we supported the people of Toronto out of these resources. All this came about as a result of the Ontario Northland Railway. I am sure this is equally true of the developments in western Canada, of the developments in the Northwest Territories, in the uranium field at Pine Point and I am sure it is true of the development in Wabush. Lake St. John, I am sure, has a similar story to tell and I suggest there will be other sagas of railroading to be written in days to come about extension into the high Arctic in the centre, in the east and through the Yukon. They will make very interesting reading. They will make much better reading if we take from around the neck of the Canadian National the debt we hung there a hundred years ago, make it part of the national debt and make the interest payment direct from the treasury.

Obviously, this is a debt which the railway company cannot pay, one which it will never be able to pay, and one which is now being compoundied through bills of the kind before us which ask for specific amounts of money, in this particular case half a billion dollars, which appears to be required for capital expenditure. According to financial statements of the past, the company has been able to undertake capital expenditures in the past from its own funds after allowing for depreciation, the writing off of assets, and so on. But the railway has never been able to write off the debt which it inherited when the company was founded. In fact, the government has usually assumed the burden of the interest payments. It is true that in recent years the company made a payment of $25 million. Most of the money, however, comes out of general revenue, and it seems that this is the major problem we face.

The present government will, I am sure, make no change in transportation Policy. No change will be made for two reasons. First, the government will not admit that the Canadian Transport Commission which it devised, and which parliament established, and which I voted for because I thought it would serve an important purpose, has, in fact, failed to do the job for which it was set up. The Commission has failed to set any kind of reasonable policy. The CTC has also failed the general public in its approach to Bell Telephone and its tariff rates. It has

failed the general public with regard to making mandatory, service to the population in areas that need service. It has been used as a kind of Senate for retired politicians who did not want to return to their former practice, and has really met Dawson's requirements for politics in Canada that there must always be a body to which politicians who have served their usefulness can retire without getting into any difficulty.

● (1630)

Mr. Baldwin: I thought he was in the NDP.

Mr. Peters: When I studied Dawson there was no NDP, so I cannot be accused of using that. I suggest that the government take a serious look at the Canadian Transport Commission and at our whole transportation policy. We should take a look also at road transportation policy and at some of the legal decisions that have been made which allow interprovincial transportation to flow along our highways. Obviously, we must provide some rules and regulations governing this flow, and in this field I suggest we have totally failed.

Why does the government not look in the mirror and ask itself why it has not proclaimed Part III of the National Transportation Act? Why has it not got around the proclaiming what, in effect, was to be the guts of the National Transportation Act? I was one of those who supported the legislation. We did not set up the Canadian Transport Commission just to be an agency for retired politicians, or to decide whether Bell should get another five cents on its telephone bills, or whether it was just and reasonable that people in remote areas should have rail transporation available to them. Neither did we set it up to decide rail abandonment. We set it up so that it and not parliament would decide our transportation policy for the next 30 to 40 years.

The commission has the necessary expertise and we gave them legislation which allowed for greater leeway than most other agencies have been allowed. Yet it has failed totally. In fact, problems have got worse rather than better. I suggest—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, in rising to speak on Bill C-164, I want to say at the outset that I concur with a number of the remarks which were made by my hon. friend from Timiskaming (Mr. Peters), particularly with his reference to the failure of the government to implement Part III of the National Transportation Act which, in essence, constitutes the spirit of that legislation. I also concur with his remarks in respect of the manoevring and manipulation that have taken place in regard to Bill C-4, the previous CNR financing bill which died on the order paper in the last parliament, and the introduction of this particular piece of legislation.

I believe it is rather disturbing that, after a lapse of more than a year, the Minister of Finance (Mr. Turner) has now introduced Bill C-164 to cover the financial operations of Air Canada and the CNR for the period January 1, 1973 to June 30, 1974, and then implies through his parliamentary secretary that it should be disposed of without delay. The previous bill Bill C-4, covered the operations of the CNR and Air Canada for the period January 1, 1971 to June 30, 1972. As hon. members know, it was never ratified by parliament. It was not even submitted to committee for study. As a result, a number of questions arise. I suggest that this bill should not be proceeded with or sent to committee until some of the questions that arise have been answered.

The first question is this. If Bill C-4 was to have been the vehicle providing for the authorization of certain sums of money to meet capital requirements for the operations of Air Canada and the CNR for the period January 1, 1972 to June 30, 1972, how was the business of Air Canada and the CNR transacted during this period without the ratification of parliament? Or is this bill simply a "nothing" matter which is used as a piece of filler legislation?

The second question is this. Inasmuch as Bill C-4 covered the period from January 1, 1971 to June 30, 1972 and Bill C-164, the bill we are now dealing with, covers the period January 1, 1973 to June 30, 1974, what has happened in regard to the six-month period of July 1, 1972 to December 31, 1972? Were no moneys expended during this period, or is there some other form of interim financing of carte blanche approval granted which in effect nullifies the necessity for these bills being presented annually? I suggest that this indeed is a very frustrating exercise and a questionable manoeuvre. Surely, the Minister of Finance (Mr. Turner) and the Minister of Transport (Mr. Marchand) should explain their actions in this regard.

We all are all frequently reminded of the days when this government had a huge majority which on many occasions it exercised to circumvent the will of parliament. We experienced the failure of the government to pay necessary sums under the provisions of the Temporary Wheat Reserves Act and also the difficulties with the Unemployment Insurance Act. Therefore, we ask ourselves whether this is simply another example of the type of arrogance that has been displayed in past days. I ask the government what held it back from proceeding with this measure in the last parliament. It had a huge majority and certainly had ample time to bring the bill forward and push it through committee.

As near as I can determine—I stand to be corrected since I am not a legal expert, a lawyer, or an authority on the operations of the Financial Administration Act or the CNR financing act—it appears to me very clear that the government has circumvented the role of parliament and acted in a manner which, in my opinion, is contrary to the provisions of the CNR act and the Financial Administration Act. If there is a legal loophole in this connection, I believe that one of the ministers of the Crown owes it to the House to explain what the loophole is; then, and only then, can we judge the importance of and the priority that should be given to this bill.

A third question arises, Mr. Speaker, and that is the question of the appointment of auditors, a matter alluded to by members who have spoken before me. Bill C-4 provided for the appointment of new auditors. However, as a result of that bill not being ratified to we have that section in this bill. Section 38 of the Canadian National Railways Act reads:

CNR and Air Canada

● (1640)

A continuous audit of the accounts of National Railways shall be made by independent auditors appointed annually by Parliament who shall annually report to Parliament in respect of their audit.

I simply want to ask what firm is now doing the auditing for the CNR and Air Canada. Are they being paid and, if so, under what authority? The parliamentary secretary offered an explanation in his submission when introducing the bill in the House last Friday. He pointed out that the auditing would be done on a rotating basis, and also that the rotating auditors would be appointed for a five to six year term. This would probably be an acceptable compromise.

No mention was made in Bill C-4 of the possibility of rotating auditors; there was simply a section dealing with the appointment of a new firm of auditors, namely the firm of Peat, Marwick, Mitchell and Company, a change from the traditional group of Touche, Ross and Co. There was no explanation as to why the change was being implemented. Of course, parliament never really had the opportunity to deal with the matter in any great detail. I would simply ask whether this was a decision taken unilaterally by the then Minister of Finance, Mr. Benson, and was it a reward for services rendered in past years to the firm of Peat, Marwick & Mitchell. We all know that the government looks after its friends and that it also looks after its defeated candidates. I am wondering what the government is trying to hide.

An hon. Member: Patronage.

Mr. Mazankowski: If everything is above board, Mr. Speaker, why has the government failed to produce the documents to which I have referred in notice of motion for papers No. 77 which reads:

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents between the Minister of Finance and/or other responsible Ministers, and the auditing firms of Touche, Ross and Co., Peat, Marwick and Mitchell, in connection with the auditing services for Air Canada and Canadian National Railways.

This question has remained on the order paper since January, 1973, yet to this date I have received no reply, nor have I received the documentation in question. I simply ask what the government is trying to hide and what is going on here.

I should like to know why the 1972 budget for Canadian National was not tabled in this House until Thursday, February 8, 1973. If that is a normal occurrence, I suppose the government can offer that explanation. I simply ask in all sincerity why there was that kind of a delay, and why we have not had either an audited statement in respect of the CNR and Air Canada for 1972 or the annual reports. Is this because we do not have a firm of auditors ratified by parliament which could provide an audited statement and an annual report? What happens if parliament, in its wisdom, decides not to approve Clause 14 of Bill C-164, which provides for the appointment of two auditing firms? In view of the type of explanation we have been getting in respect of this particular facet of the bill, parliament may not see fit to pass this clause. Let me reiterate the fact that

[Mr. Mazankowski.]

under the provisions of Bill C-4 there was simply a change in the firm of auditors to be appointed.

When the parliamentary secretary introduced this bill he said, as reported at page 3297 of *Hansard* for April 13:

If the policy of rotating auditors were adopted, we should have to study carefully the frequency of the rotation. Evidently, the duration of the assignment should not be too short, because, otherwise, the auditors would hardly have enough time to familiarize themselves with the operations of the company and the intricacies of its accounting system, not to mention the special accounting requirements of the Canadian Transport Commission.

On the other hand, the long-term appointments made in the past covered far too long periods. Consequently, it was agreed that a five to six years' appointment would be an acceptable compromise, the first year and the last year to be overlapping periods during which two auditing firms would be hired.

Under Clause 14 of Bill C-164 we find that the firm of Peat, Marwick and Mitchell will be the auditors for the year which has concluded, 1972, and for the year 1973 we have the firm of Peat, Marwick, Mitchell and Company and the firm of Coopers & Lybrand, both of the cities of Toronto and Montreal. For the year 1974, we will have the firm of Coopers & Lybrand. Those facts do not coincide with the policy enunciated by the parliamentary secretary. I should like to know if this is a makeshift change which came about as a result of an embarrassing situation which the government found itself in, or is this simply a form of corruption?

An hon Member: It is Liberal corruption.

Mr. Mazankowski: Those are some of the questions in respect of which I believe this House requires an explanation. In my opinion, if these financing bills have any legal connotation whatever, then no firm of auditors, whether it be Touche, Ross and Co. or Peat, Marwick and Mitchell, have the authority to carry out the auditing services for the CNR and Air Canada. That being the case, I would ask the appropriate ministers of the Crown to explain this situation. Is this simply another example of this government's arrogance and inability to bring forward its legislation in an orderly manner? Whatever the answer, we should have some explanation.

Let me now turn to the nitty-gritty of the bill, and deal first with the operations of Air Canada and CNR. It should be clearly established that these two organizations form a vital and integral part of our transportation network in this country, and provide as suggested in Section 3 of the National Transportation Act:

—and economic efficient and adequate transportation system making the best use of all available modes of transportation at the lowest total cost is essential to protect the interests of the users of transportation and to maintain the economic well-being and growth of Canada, and that these objectives are most likely to be achieved when all modes of transport are able to compete under conditions ensuring that having due regard to national policy and to legal and constitutional requirements—

When examining the operations of the CNR and Air Canada, I believe we must examine their performance in the light of this statutory statement of policy. There is no question in my mind, nor I am sure in the minds of hon. members in this House, that air transportation is a vitally important aspect of the development of Canada with its problems in respect of distance, sparse population and the development of various regions including the north.

At the present time it is interesting to note the game that is taking place between the Chairman of Air Canada and the Minister of Transport (Mr. Marchand). Much has been said in the House and in the press about the desirability of cutting up the aviation pie, as it has been referred to by my friends to the left. We should be under no illusions in this House that the Chairman of Air Canada is anything but one of the government's boys. I am sure that during his numerous discussions with the Minister of Transport, to which he has alluded on a number of occasions, everything has been rosy. I am sure they are dedicated to the same purposes and principles. I do not believe there is any conflict between the two.

● (1650)

The chairman of Air Canada is concerned about profit and protection. He believes competition is bad. Well, one can wonder how much less competition he really wants. After all Air Canada controls 75 per cent of Canadian air passenger service while Canadian Pacific Air Lines gets 25 per cent. Therefore, the growth of Canadian Pacific Air Lines and its penetration is predicated upon the growth and penetration of Air Canada. So, why the concern? Whatever Air Canada's competition may be, it will never exceed more than 25 per cent of the Canadian market because of the present policy. As a businessman this is very difficult for me, and I am sure for anyone who has ever been in business, to understand, especially in view of the remarks of the chairman of Air Canada who suggests that competition is bad for business. He suggests it is bad for the customer and bad for the company. This is particularly difficult to understand in view of the fact that Air Canada is assured of a 75-25 per cent allocation of the market.

I believe basic business principles apply equally to big business and small business. I sincerely believe competition is the lifeblood of business. In my opinion, it creates innovation and attracts technological advancement. I believe competition can provide a higher standard of service for the customer, in this case the travelling public. I believe customer satisfaction is a key to profit. I submit that the chairman of Air Canada, rather than running around in an effort to generate a certain amount of sympathy for Air Canada, would do better to examine his organization and direct his effort toward improving the service. He should be broadening airline service to more Canadians in this country. I also believe that competition can serve to reduce waste and inefficiency. If waste and inefficiency were reduced, this also would be beneficial to the customer and indeed to the corporation. Moreover, competition can create a challenge which in turn would help improve harmony and morale within the organization. This is something which obviously is lacking in the general structure of Air Canada.

I think competition creates a desire, if you are number one, to remain number one or if you are number two to try harder because you are aware that there is someone else knocking on the door. If a person has any dedication or loyalty to the company for which he is working, he will try harder if the company should be in the top spot to retain that position or if it should be in the second spot he will try harder to get it to the top. I think this is a situation which places everyone on their toes. It creates a climate in which people pull together in an effort to do the job and serve the public. This is what Air Canada should be directing itself toward.

An hon. Member: It does.

Mr. Mazankowski: Some one said "it does". I just want to refer to a situation which developed in the Ottawa region last fall. I do not know which of the 19 or 20 vice-presidents is responsible for this. I refer to the method of placing a reservation in Ottawa. After midnight it can result in a real fiasco. With the advent of Tel-Pack, which was introduced last fall, all reservations, I understand, are now placed through the city of Montreal. This has resulted in what must be one of the lousiest reservation services in Canada.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Anyone who has had the experience of attempting to make a reservation after midnight will know that he may have to hang on to a telephone for periods of from a half hour to an hour. I am sure my friend, the hon. member for Gander-Twillingate (Mr. Lundrigan), who I am sorry to say is not in the House at the present time has had this experience. He has been conducting a little campaign to draw this situation to the attention of the appropriate authorities. This is an absolute disgrace. When one cannot contact the national airline after midnight at its home base without this kind of a delay something is certainly rotten. To me, this is an example of a big league airline operating with bush-league business practices.

Mr. Lambert (Edmonton West): You are quite right.

Mr. Mazankowski: Whichever vice-president is responsible for this situation and has not had the common sense to overcome or improve it should have his ears chewed off. Furthermore, the chairman of Air Canada should acquaint himself with the situation and provide the necessary staff to do a proper job in order to ensure the calibre of service the public really deserves. I suggest that this situation will not be improved simply by a reduction of competition and more protection for Canada's national airline.

We wonder also about the effect of the decentralization of Air Canada's operations. We know that part of the servicing organization was moved from Winnipeg to Montreal.

May I call it five o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order No. 40, to advise the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Regina East (Mr. Balfour)—

Pollution—Qu'appelle Lakes, Sask.—Implementation of recommendations in report; the hon. member for Selkirk (Mr. Rowland)—Income Tax—Practice of discounting tax rebate cheques—request for government regulation; the hon. member for Provencher (Mr. Epp)—Canadian Culture—Multiculturalism—policy of Canadian Broadcasting Corporation.

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

The Parliamentary Secretary to the Minister of Transport (Mr. Guay) is rising on a point of order.

Mr. Guay (St. Boniface): May I call it a question of privilege, Mr. Speaker? Reference was made to the fact that the Minister of Transport (Mr. Marchand) and I were not in the House this afternoon. I should like to have it on the record that the reason both of us were not in the House this afternoon was that we were meeting a very important delegation from western Canada pertaining to the same matter that has been under discussion in the House this afternoon.

PRIVATE MEMBERS' MOTIONS

NATIONAL DEFENCE

SUGGESTED TRANSFER OF LAND AND BUILDINGS AT CANADIAN FORCES STATION LADNER TO MUNICIPALITY OF DELTA, BRITISH COLUMBIA

Mr. John Reynolds (Burnaby-Richmond-Delta) moved:

That, in the opinion of this House, the government should consider the advisability of transferring the Crown lands, commonly known as the Canadian Forces Station Ladner or the Old Boundary Bay Airport, together with the buildings thereon, to the municipality of Delta and, in co-operation with the municipality, develop the areas as an industrial-recreational complex of pollution-free secondary industries, parkland, ocean beaches and sports stadia for the benefit of Delta, Richmond and the Lower Mainland and as an example to other medium-sized urban and suburban communities of the value of such a complex.

He said: Mr. Speaker, possibly no greater opportunity exists for the government to contribute to the over-all development of an area with a minimum capital investment than in the Boundary Bay area of the municipality of Delta in British Columbia. In co-operation with the municipality of Delta, there exists an area with potential for development as an industrial-recreational complex comprised of pollution free secondary industry, parkland, ocean beaches, and sports facilities. This complex would benefit not only the residents of Delta and Richmond, but also the entire lower mainland of B.C. and could serve as an example to other medium-sized urban and suburban communities.

● (1700)

We have already seen the federal government propose multi-million dollar developments for the Toronto waterfront and we have an idea of the benefit that will be accorded the citizens of the entire metropolis. We have seen how multi-million dollar expenditures on Montreal's Expo have served to benefit the citizens of Montreal by completely changing an area that previously offered very little. Benefits of similar proportion can be accomplished in the area to which I am referring with an investment of one fraction the amount of money. But the government must take positive steps now if these goals are to be achieved.

For example, at this particular site there is an airport hangar which at the present moment is of little value. With modifications, and again limited expenditure, this facility could be turned into an arena to serve the needs of the thousands of children and sports enthusiasts in one of the fastest growing areas in Canada. The miles of beaches that are presently not being used for recreational purposes could be transformed into one of the finest beach areas in the province with limited federal spending. In addition, the very real possibility exists of turning the entire Boundary Bay area into a vital tax resource for all levels of government. With limited government investment, the existing Boundary Bay airport could become the lower mainland's principal airport for small private aircraft in the years to come. The tendency over the past decade has been to segregate the larger aircraft from smaller aircraft used for business and utility purposes. One of the most costly items in the construction of any airport is in the initial acquisition of land, but in this case the land, with an existing airport, is already there. The principal cost now is in maintenance rather than in acquisition.

It would be in the best interests of all who carry on business from the Burnaby-Richmond-Delta and lower mainland area to have an active local airport for small private aircraft at this location. In addition, the advantages are obvious to those interested primarily in the recreational facilities which could be incorporated virtually hand in hand. New businesses would be attracted to the Delta area by virtue of the fact that they could locate near an airport which could effectively and efficiently carry personnel to their branch plants. The airport would thus aid in the growth of the area and offer greater employment opportunities in the entire mainland area.

New facilities will be necessary to support this industry and thus contribute to the over-all economy of the area. Possibly some of the smaller firms presently located at the Vancouver international airport will move due to the high lease rates and the overcrowding. This, in turn, will permit an orderly expansion of the present facilities at the Vancouver international airport. Boundary Bay airport is already built and is served by good access roads. There is no other area that is so capable of incorporating the airport, an industrial complex and a recreational complex all in one, each one nurturing the other, and each one complementing the other.

Possibly, the former Centralia air force base could be regarded as an example of an industrial development which became successful because of its airport. But no such undertaking can be successful without a proper environmental impact study carried out with respect to the implementation of this proposal. It is appreciated that an environmental impact study cannot be completed overnight, but the long-range program in this case is of such

importance and of such over-all benefit to the people concerned that virtually everyone is prepared to accept the fact that time is required. But what is most important is that the government consider this proposal, consider the advantages, consider the need for a recreational area, consider the need for additional job-creating light industry, consider the quickly disappearing waterfront recreational land available and commit itself to an in depth study with the minimum amount of delay. The corporation of Delta is prepared to assist in the establishment of a joint environmental study of the available facilities, and the council will render all possible assistance and co-operation to the federal authorities.

In conclusion, given the existing ingredients and the land availability, and given the spirit of co-operation among all levels of government as well as between ministerial offices, there is herein the opportunity not only to set an example in this field but to provide jobs through the creation of pollution free light industry and to afford a recreational facility for thousands of residents of the entire lower mainland. Mr. Speaker, I urge the government to consider and act upon this motion.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, in rising to speak on this motion, I should like to associate myself with the mover and seconder. I think it is a splendid idea that a motion such as this should be brought forth at this time, and hon. members should have an opportunity to debate it briefly on the floor of the House of Commons for it is my hope that we will see the motion sent to committee for study. I do not know the coastal part of B.C. as well as I know the interior where I have lived for many years but, having lived in the Vancouver district for a considerable period of time, I do know that the Boundary Bay area could be made into one of the outstanding environmental playgrounds on the Pacific coast. Having been a member of the B.C. legislature, I am aware of the fact that on numerous occasions over the years we have had briefs from various groups in the area urging that action be taken provincially to preserve many of the fine beaches to which the mover of the motion has referred.

A subject, in which all members are clearly interested and which was mentioned in the address we just heard, is the environmental studies. I urge the federal government to look into this part of the motion without delay. There is no reason why a sound environmental impact study could not be launched at this time, and I agree with the mover of the motion that it will take some time for an adequate study to be undertaken and for the results of that study to be assessed. We should not delay. Time is of the essence. The growing community of Vancouver and the whole Fraser valley area is in need of further recreational facilities, and here is an opportunity for the government to do something which would assist in setting this area aside for all time for the purposes outlined in the motion.

I know that it takes time for the wheels of government to get rolling and for the government take action. But again I am going to suggest to the government that they refer this motion to the appropriate committee for the necessary studies and I hope that it will pass the House of Commons this afternoon. Our group is certainly interested in seeing studies of this nature carried out, and we will certainly endorse the resolution which has been presented to the House this afternoon.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to say a few words on the motion. The Department of Transport accepted the transfer of the former RCAF station, Ladner, in June, 1972. Discussions concerning the future of the airport have been held and representations have been received involving the corporation of Delta, the Canadian Owners and Pilots Association, Walter Industries of Canada Limited, officials of DOE and the Department of Transport.

● (1710)

I see no objection to considering the advisability of transferring the land to the municipality of Delta for the use described in the notice of motion, at the same time as consideration is being given to the feasibility of a number of alternative uses of the property. However, I wish to make it clear that by agreeing to the motion neither I, the minister nor the government is giving any undertaking that the lands will be transferred to the municipality or, if they are transferred, will be used as suggested in the motion.

A careful study, and here I agree with the hon. member, will be carried out into desirable uses of the property, bearing in mind all the conflicting interests which are involved, and the interest of the public in those uses, before any final decision is arrived at by the department.

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

Some hon. Members: Question.

Motion agreed to.

Mr. Deputy Speaker: I see two hon. members rising on points of order, the hon. member for Assiniboia and the hon. Parliamentary Secretary to the Minister of Transport.

Mr. Knight: Mr. Speaker, I am not aware of any other motion to be dealt with during private members hour today, and in view of the importance of the motion just passed and of the springtime nature of the day, I think we might come to agreement to adjourn at this time.

Mr. Guay (St. Boniface): Mr. Speaker, in view of the considerable amount of business dealt with this afternoon, I must agree with the hon. member.

Mr. Reynolds: Mr. Speaker, it would seem appropriate, on a day like today, when a motion like this has been passed concerning what we call sunny Delta, the sunshine capital, and since this is the sunniest day in Ottawa since I have been here, that we should adjourn.

Mr. Knight: Mr. Speaker, May I call it six o'clock?

Mr. Deputy Speaker: Apparently everybody sees it as six o'clock. It being six o'clock, or thereabouts, I do now leave the chair until eight o'clock p.m.

At 5.16 p.m. the House took recess.

CNR and Air Canada

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURE AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Don Mazankowski (Vegreville): Prior to private members' hour, Mr. Speaker, I touched briefly on the matter of Air Canada and its policy of centralization, particularly in respect of the servicing and maintenance of aircraft. It seems to me that a number of questions arise as a result of this policy, particularly with the advent of the wide-bodies jets, the L-1011 and the 747. I believe these aircraft lay-over in the Vancouver area, and in my opinion it would make for a very efficient operation to carry out a certain amount of servicing and maintenance in Vancouver.

The other question is, what happens to the Dorval facilities when Ste. Scholastique goes into operation? There will be a certain amount of cost and inconvenience in ferrying aircraft from one airport to the other in order to carry out necessary maintenance. On the whole broad question one can only ask whether the concept of centralization has given the greater degree of efficiency in service and maintenance to Air Canada. Also, is the policy of centralization consistent with the policy of the federal government which has announced in many areas its attempt to decentralize operations.

I would be remiss if I failed to point out a matter which rather alarms me in the 1971 annual report of Air Canada. Are the huge costs of sales and promotion justified? Something in the order of $75.6 million was spent on sales and promotion to move 7.4 million passengers. That works out to $10 per passenger ticket. We might also ask whether Air Canada is utilizing these funds to take quarter-page ads in the *Globe and Mail* to push air traffic to Hawaii via Los Angeles through the Pan American system. We also wonder whether the administrative cost of $23.8 million, which works out to approximately $3 per passenger ticket, is justified. We question whether there could be any shaving of administrative expenditures, particularly in light of the fact that there are 19 or 20 vice-presidents on the Air Canada board of directors.

[Mr. Deputy Speaker.]

We also wonder about the desirability of the purchase of Wardair by Air Canada. It has been said that it was purchased because of its leadership in the charter field. But, Mr. Speaker, Air Canada controls 34 per cent of all charter traffic in Canada, while Wardair has roughly 27 per cent and Canadian Pacific approximately 10 per cent. In short, Air Canada handles more passengers on a summer weekend than Wardair does in a year, yet in putting its case before the Air Transport committee the argument was that Air Canada required a great amount of expertise in the movement of large numbers of people.

This argument seems to me invalid and I wonder what the real reason was for Air Canada's purchase of one-third of the interest of Wardair. Was it simply because the IDB has a huge investment in Wardair and the loan was to some extent in jeopardy? These are questions that must be answered, Mr. Speaker, because the argument put forth by Air Canada, namely, that it needed to acquire Wardair's expertise in the movement of large numbers of people, does not hold water in my opinion. On the broad picture we wonder whether this monopoly will bring about cheaper air fares for the travelling public, or will it breed more inefficiency and protection for Air Canada while in effect depriving passengers of freedom of choice?

I turn now to the matter of air service as it pertains to western Canada, particularly the cities of Edmonton and Calgary. I note with interest that Air Canada plans to expand its regional air service in northern Ontario. I have no argument with that because I realize it is important to have adequate air service in all parts of Canada. However, it seems to me rather inconsistent with Air Canada's policy, because over the years it has been attempting to get away from handling regional air traffic. It gave up the route between Calgary and Edmonton and left a void which was very successfully filled by Pacific Western Airlines.

I believe that Edmonton and Calgary deserve a direct link to the nation's capital; indeed, I believe that every provincial capital deserves a direct link to the nation's capital. What we in western Canada need is greater frequency of service. We do not necessarily need huge jets like the L-1011 and 747, but more DC-8 and DC-9 jets to connect with eastern and western Canada. We need more flights and additional international links with the United States.

● (2010)

Bilateral talks have been going on for some time. Edmonton is desirous of obtaining a link with Minneapolis-St. Paul. This has been talked out for years. The time has come when this service should become a reality. The advent of wide-bodied jets such as the L-1011 and the 747 will undoubtedly cut down further on our frequency of service. We do not want the frequency of service decreased. With these large jets, Air Canada will be more concerned about moving larger numbers of people rather than increasing service for these areas.

The cities of Calgary and Edmonton have grown and matured to the stage where they should have a direct link with Ottawa, rather than going through Toronto. There is quite a campaign going on in the city of Toronto about who wants airplanes flying around, and who does not. The

travelling public in western Canada who are heading to Ottawa would very much appreciate going around the bottleneck that exists at Toronto airport.

I want to summarize my presentation on air service by quoting from a study which was conducted by the Transportation and Development Authority of Calgary. The study is entitled "Air Service Requirements of Calgary, 1972-1976." I believe there are some valid points in this report. The report can be applied to many areas throughout Canada. I want to put this on record for consideration by the minister and others who are interested in the air transportation industry. I wish to quote from page 9 where the recommendation is as follows:

First, there is a growing tendency for regional carriers to assume responsibility for regional services, thus relieving Air Canada of that responsibility and weakening the agreement that Air Canada's financial position must be protected from serious transcontinental competition.

The next factor is something I pointed out earlier:

Second, there are numerous benefits to be realized from allowing competition. These include increases in frequency, quality, and efficiency. Third, the analyses upon which present restrictions were developed were conducted six years ago. Fourth, there is no certainty that the transcontinental market, given better service, would not be capable of supporting competition. Fifth, the present restrictions will not permit the gradual implementation of effective competition as the transcontinental markets expands.

These are good recommendations and should be considered when reviewing the over-all air transportation policy both in Canada and in respect of our international air service.

Throughout my presentation I may have sounded somewhat critical of the operations of Air Canada, but I want to say that I am very proud of Canada's national airline. There are a lot of dedicated people who work for that airline. However, I want to assure Your Honour that there has been a great deal of degeneration and deterioration in the service and, indeed, in the morale of the people who work for the airline.

The management should take a very close and hard look at their operations. I urge the chairman of Air Canada and the Minister of Transport (Mr. Marchand) to stop playing this superficial game of cat-and-mouse and get on with the job of serving Canada's air travelling needs. They can encourage a greater degree of pride, initiative and dedication for the people who have worked so hard and have dedicated themselves to making Air Canada an efficient and proficient airline.

I want to deal briefly with the servocentre concept as it relates to Canadian National Railways. Much of what has been said about the implementation of the servocentre concept has been negative. I want to go on record as being totally against the concept of the servocentre. It is a sophisticated computer network. Canadian National have advised that the concept is not being initiated simply for economic reasons. If that is the case, we must ask for whose benefit the servocentre concept is being developed. Certainly it is not for the patrons of the railways.

Over the past number of years we have witnessed the closing of railway stations in smaller centres throughout western Canada. The business has not been funnelled to the larger centres. It has been lost. We do not have anything now to prove that it will be transferred to the larger centres. When station operators are taken out of communities of 4,000 and 5,000 people, there is a drop in business accruing to the railways. There has been a great deal of centralization, with a number of smaller communities losing their station operators. The customers expect personalized service. They want a representative on hand, particularly with the degree of rationalization that has taken place to this date. How can anyone expect from a centralized computer center the kind of personal service he deserves? CN representatives say they will improve service by offering a Zenith telephone number and periodic visits by the customer representative. This has not worked in the past and it will not work now.

CN and CP are guilty of deliberately withdrawing from their responsibility of providing express service and passenger communications service to hundreds of small communities in Canada. I believe it is deliberate. If one looks at the stations now in existence, they see that they are the most run-down buildings in the communities. This is really disheartening, because to lose the CN or CP agent is to lose a very prominent citizen. He is one who has actively participated in the various activities of the community. To lose an on-hand representative is certainly very discouraging.

An application for a servocentre concept has been made in my community of Vegreville. Upon examining the revenues derived from that particular station, we found that one-third of the revenue generated was derived from passenger sales, express and communications services. One-third of all the revenue from that station comes from this source. I believe the CN should have an on-hand representative to properly look after this business and promote additional services.

In view of the fact the minister and the government have undertaken to examine the transportation needs and the economic opportunities of western Canada over the next year or so, I recommend that while this review is going on there should be an indefinite postponement of any further abandonment of station operators and the closing of these facilities. We cannot allow this to continue without having some knowledge of what the future holds with regard to the total transportation picture and the matter of rail line abandonment. We now have a number of studies which relate to the abandonment of a number of lines and elevators. This will ultimately result in reducing the number of elevators and the number of serviceable lines by approximately one-third. I urge the minister and this government to use their good offices to encourage CNR to stop this deliberate degredation of rural Canada. I see my time has expired, Mr. Speaker.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, since Friday, I have been carefully listening to my hon. friends' speeches and unlike most of them, I do not feel compelled to use all my time, because I intend to clearly state my views instead of hearing myself talking and putting hon. members to sleep.

We are now studying Bill C-164, an act to authorize the provision of moneys for two Crown corporations. As it is asked by the government, we have to approve capital expenditures for the CNR and Air Canada.

Through the Governor General's recommendation we can evaluate that the Minister of Finance (Mr. Turner) is requesting an aggregate amount of $225,500,000 for the capital expenditures of the CN in 1973, $75 millions for the capital expenditures for the six first months of 1974, $167,-500,000 to enter into contracts for new equipment, and finally, $21 millions for branch lines loans, and I do not know whether those $21 millions will be used by officials to branch out or only to take root in a foolish administration. Mr. Speaker, we are asked to approve $489 millions to maintain a business which is poorly run, without convenient service, which is 25 years behind and to perpetuate a stupid administration.

We heard Western members—conservative members because there are no liberals in those areas—members from Central provinces and Eastern Canada, and all of us have explained with numerous examples how rotten the present service is, the decrease in passenger service and the incompetency of CN officials.

Mr. Speaker, considering the way in which the government manages that type of undertaking, we wonder whether the people in charge of the CN are even slightly competent. It may even be that they are so incompetent as to be unable to carve out a peg to plug up a hole.

Mr. Speaker, this company is said to be responsible to Parliament. It is quite willing to ask for credit, but what control does the government exercise over it? None whatsoever, to the extent that towards the end of the recommendation in the bill, it is said, and I quote:

> . . . such loans to be repaid from revenues of the Railway Company and Air Canada or . . .

And here go the government controls—

> . . . or, if revenues prove insufficient by subsequent deficit appropriation by Parliament.

In other words, the government guarantees $489 million today, and if that proves insufficient it will give more. The government could not care less how it is spent, whether it is thrown out the window, spent on bubble gum, or what have you. It gives $489 million today and if in six months or a year from now that proves not to be enough, it will give more without exercising any control. Let it be spent on anything at all, or even thrown out the window, for that matter. And if you are short of money, we government idiots will give you more to replenish this $489 million petty cash.

Mr. Speaker, I shall say like one of my friends that this is not disgusting, it is damned disgusting to see such an administration. And through the Canadian Transport Commission, we try at a certain time to get justice. And what about these jerks who go beyond limits, beyond the government's authority, even Parliament's? These are arrogant officials like this chap, Thompson, who tells us stupidly: When I say no, it is no.

Here is proof that these corporations are in no way under government authority. They are only playing the hypocritical game of a mitigated democracy. These officials say: To hell with you. And I would not be surprised if they used the picturesque language of the Prime Minister (Mr. Trudeau) to tell us to eat something.

[Mr. Caouette (Charlevoix).]

Is it known that officials like those of the CNR and even of the government, delight in managing in the most "honourable" jumble.

Let us think about it. The CNR makes $42 million in profits but the interest on the debt amounts to $68 million. Finally, it reports at the end of the year a $20 million deficit. That is the management of a company that we cannot control. What progress has the CNR made? What modern method of transportation has it adopted? What did the government do to force it to improve its means of transportation? Absolutely nothing. Now, Canada developed according to the rythm of the railways at the turn of the century. Nowadays, means of transportation are still the same as they were at the beginning of the century. They do not want to create or improve the systems, they will delay their development.

This afternoon, we heard members from all sides of the House say it is badly operated. The CN does not want to improve the transportation systems while it is so important nowadays for example to consider more and more the needs to curb pollution. The government does not do anything to force these companies to improve their systems of transportation while complying with scientific data. Before approving moneys, why does the government not force these companies to allocate a fraction of the moneys to the improvement of means of transportation? Canada is the ideal country for that: Why not force the companies such as the CNR for example, to use faster trains? They do exist. Everyone has heard about them. In Japan, for instance, trains travel at 200 miles an hour which would be ideal for Canada, because of the distances involved. It would even solve the problems of requirements for increasingly larger airports, such as Pickering, or Sainte-Scholastique, and the resulting problems facing the people. Fast trains would be an ideal solution for travel from one city to another. Why does not the government compel the CNR to work in that direction? It does nothing about it.

● (2030)

We still pass the time voting funds and assuring the CNR that if it does not get that money, it will get some through special warrants. We have heard about the service provided to passengers on the Ottawa-Quebec, Quebec-Montreal or Montreal-Lake St. John lines or to people who travel on those 1890 cattle cars where no attention is given to passengers. However, on the Ottawa-Montreal line, there is an hourly bus service. Why could we not offer the same services through rapid train systems? No, we are satisfied with old systems which are kept going through legislation authorizing the granting of funds without compelling the recipients to do some development.

Such are the comments which I wanted to make, Mr. Speaker. My remarks relate not only to the transport system as such but also to its financing. As I said earlier, interest is up to $68 million and profits up to $42 million, so the deficit is down to $20 million. That is exactly the type of administration that we deplore and to which we are opposed.

The same thing happens at the government level where there exists a deficit system due to interest. We see the government decry inflation. Inflation is eating away at us.

The expenses of such crazy systems where you pay more interests then you can make profits are precisely a cause of inflation. When interests will have eaten away more of the profits of a company like the CN or the government it will be realized that inflation is still growing without being able to solve the problem.

We say that any new production must be financed through new credits and as long as the government does not admit that we will be caught in crazy systems such as those we have now, deficit systems, systems where prices steadily go up while quality goes down, where prices go up while easier access to consumer goods is being destroyed. Interest goes up, costs go up in such systems.

Creditists have said and repeated for many years that any new production must be financed through new credits and not through crazy loans to pay interests on fictitious debts as can now be seen with respect to the CN. As long as the government does not understand that, as long as it does not accept to consider in a positive way the suggestions we make, as long as we are presented with small bills such as the one before us to try and make us believe that the government is deciding more or less what decisions are to be taken by Crown corporations—because, in fine print, they are promised money by the barrel—we shall never see the end of it.

Mr. Speaker, those are the remarks I wanted to make and I hope that the government will wake up once and for all and acknowledge with us that the present system is debt oriented and not tailored to efficient service. It is about time to ensure that this objective is reached.

[*English*]

Mr. J. R. Ellis (Hastings): Mr. Speaker, in dealing with Bill C-164, I want to make it abundantly clear at the outset, as I have in the past, that I am not prepared to use Canadian National Railways as a whipping-boy. Nor am I in any way condemning the employees of the CNR. These are hard working, conscientious men and women dedicated to their task. Any criticism of transportation in Canada belongs at the door of this government, and particularly the Minister of Transport (Mr. Marchand). Canadian National Railways and Air Canada are operators. They carry out the policy, or lack thereof, to the best of their ability. Where this policy is outdated or completely lacking, we cannot possibly blame the operators for the deplorable situation in which we find ourselves.

Railways are the backbone of this country, both literally and figuratively. Properly operated, Canadian National Railways has, in my opinion, a far greater potential for the reduction of regional disparity in this country than the Department of Regional Economic Expansion or any other program developed by this government. The key words are "properly operated". The present administration has not, to date, demonstrated any ability or inclination to bring in any policies consistent with the present needs, never mind the future; instead, they use exactly the same indifferent and arrogant approach that they have used in the past.

For the moment, let us consider the recent financing bills of the Canadian National Railways starting with Bill C-186, which was passed in 1971, covering the financing of the railway system and Air Canada from January 1, 1970, to June 30, 1971. Bill C-4, which was never passed, was intended to cover the financing from January 1, 1971, to the first day of June, 1972. Then there was an overlap of six months, and finally we have Bill C-164, which covers from January 1, 1973, to June 30, 1974, leaving a gap of six months completely devoid of covering legislation. Was this overlap and gap of six months an error? Did the people in the department who prepare the legislation not know or not care? In any event, the whole time period was left without covering legislation and I will be interested in finding out in detail how this was and is to be handled.

We have the further irony of changing auditors after having accepted the seemingly satisfactory services of one company for many years. The change of auditors was announced in Bill C-4, which was of course, as I have said, never passed; and in Bill C-164 we find confirmation of the 1972 auditors, two separate firms of auditors for 1973 and one of those two firms for 1974.

As a new member, I cannot review past practices from experience, but I have had very detailed experience with auditors at another level of government and in private industry and I say to you, Mr. Speaker, that this whole deal smells. It literally reeks to high heaven. Without questioning the capability of any of the auditors mentioned, I know that you do not change auditors without just cause, and having a former senior official with one audit company now a highly placed government employee, while I deplore and question the situation, is not just cause. Furthermore, under no circumstances do you appoint auditors, either new or in a continuing capacity, without the approval of the senior body, in this case the parliament of Canada. Appointing the auditors for 1972 retroactively in 1973 is highly questionable from a legal point of view, ridiculous from a practical point of view and smacks of arrogance in the extreme from the point of view of responsibility to the parliament and the people of Canada.

In 1973 we are asked to approve two sets of auditors. Obviously, one company is sufficient to complete the audit. Why, when, do we need two? The extra cost must be staggering. How much extra will probably be very difficult to ascertain. If the need for the third auditor is transitional, that is to say, while changing from one firm to another, surely we could have stayed with the second firm for a little longer since we have been adequately served by the first firm for many years.

If, on the other hand, the firm appointed for 1972 and jointly for 1973 has not been adequate, then the government should say so. If their services are adequate, even considering the involvement, directly or otherwise, of a past member of that firm in the Department of Transport, they should be kept on for a minimum of five years so that we can take advantage of their cumulative knowledge. These firms are of the highest calibre, and to be in the position of moving them around like pawns in a political chess game places them in an untenable position to the shame of the minister responsible. Or is the minister responsible? That is another question I shall expect to have answered.

For the moment, I do not intend to deal with the individual clauses of the bill; rather, I will go along with sending it to committee. But I assure the Minister of Transport that it will not be reported out of committee

before I or a number of my colleagues have had answers to each and every question I have raised, and many more contained in the legislation. The continuing arrogance of this government in asking for quick passage of legislation such as this, without justification, will not be condoned.

[*Translation*]

Mr. John Harney (Scarborough West): At the outset of my remarks, Mr. Speaker, I would like to point out that I have listened with a certain awareness to the comment of the hon. member for Charlevoix (Mr. Caouette) and I must note, concerning his proposals, that the dynastic aspect of politics are simply not transmitted through consanguinity, but through similar ideas. As we often say, like father, like son!

[*English*]

● (2040)

Before I begin my remarks, properly speaking, I might be allowed to make a couple of comments on what has gone on. I was intrigued by the intervention of the hon. member for Vegreville (Mr. Mazankowski) proposing in some way that Air Canada be permitted to carry the can when it comes to air travel in Canada so that CP can pick up the chips. This reminds me of debates in the past with regard to the efficiency and profitability of the CN in relation to the CP. The poor old CN has always been the whipping-boy.

Canadian National is a public-owned railway. How useful it was for parties in this country, and I do not mean just political parties, to be able to refer to the CN as one horrible example of the effect of public ownership. Year after year we were told, "That is not the way to run a railroad; and besides, it loses money." Of course, it was never pointed out that the CNR does make money on the operational side but because it has to carry the debts of long ago its profit is quickly erased, so the poor old CNR winds up in the red.

My hon. friend from Timiskaming (Mr. Peters) gave the reasons this afternoon. Back in the twenties and early thirties, the government of the day picked up the can for a lot of its friends who had invested not too wisely in a number of railroads which were going into bankruptcy. It also picked up the tab to cover the losses of the private investors. To this day the CN is carrying the interest on these advances of a long time ago. It is no wonder the CN can rarely show a clear profit in its annual statements. Surely we could get around this business of partisan or political flummery by having the people of Canada, through this parliament, pick up this ancient debt and take it off the shoulders of the CN so that we can see once and for all whether a publicly-owned railway can operate efficiently.

However, even a cursory reading of the annual reports of the CN—and in case hon. members have not seen them, there is a resumé at the back of the latest annual report—will show that as a publicly-owned corporation the CN is managing to show an operating profit. By comparison one can always point to the CP whose major function over the years has been to stick its fingers into the Canadian pie and pick up the plums. No wonder it is successful. With a deal of that kind, dating back to the early days of confederation, one would have to run an absolutely inefficient operation in order not to make money. The CP cannot help but make money. When I hear of the government offering yet more plums to the CP by way of airline routes to Milan, I can see the past repeating itself; I can see members of the opposition in years to come—and members of the government party, too, when it is their turn to be in opposition—berating the CN and Air Canada in relation to the profitability of the CPR and the CP Air operation.

Many years ago an American gentleman spoke forcefully about what was then called social democracy—socialism, as we know it today. He was asked whether he was in favour of government ownership of the railways. This is still a radical idea in the United States. This man, Eugene Debs, then said, "Gentlemen, I would rather have government ownership of the railroads than railroad ownership of the government." That is the nub of the question. This is the picture we have seen in Canada: set up the CN so that it can act as a whipping-boy or strawman. Set up the CN in such a way that it can never, or rarely show a clear profit and we shall always be able to show that public enterprise does not work. I, for one, believe that public enterprise does work. As a member of this parliament, I would not be able to use this little card which was given me, a pass on the railways of Canada—

Mr. Alexander: What does it say?

Mr. Harney: It says:

—is a member of the House of Commons of Canada and is entitled by law to free transportation with his baggage on all railway trains in Canada.

For years I tried very hard to become a Member of Parliament. I looked forward to sharing this chamber with representatives of various parties—the usual standard government of Canada, the Liberal party; the oxymorons to my immediate right—

An hon. Member: What?

Mr. Harney: —my hon. friends, and members of the Social Credit party. This was my major objective in trying to become a Member of Parliament.

Mr. Woolliams: Nice to see you here.

Mr. Harney: An added attraction was the thought that I would be able to ride free on all the trains. But now that I am a Member of Parliament there are no trains to speak of. If it were not for the CN there would be hardly any chance of my being able to use this pass at all.

An hon. Member: Try the baggage car.

Mr. Alexander: When did you last use it?

Mr. Harney: I used it in Sackville when I tried to bring socialism to the people of south eastern New Brunswick.

An hon. Member: There is no train long enough for that.

Mr. Harney: I should like to speak for a few minutes about the investment policies of the CNR. Just because I believe in public enterprise does not mean I approve of everything this publicly-owned company, the CNR, does. As a matter of fact, there are many things it does of which

I disapprove. As a matter of fact, there are many things about this railway which I abhor. There are many aspects of the CNR which make it very hard to distinguish between it and a privately-owned enterprise. It behaves, in the main, like a privately-owned corporation no more evidently than in its investment policies.

● (2050)

A few weeks ago I had occasion to ask questions in the House about the CNR which was involved in investment in a project in Toronto established by Fidinam (Ontario) Limited. At that time the CNR pension fund had invested some $33 million in this particular development project. This $33 million was accompanied by a loan on the part of the Workmen's Compensation Board of Ontario in the amount of $15 million, all of which contributed to a total of $48 million supplied on the one hand by the public of Ontario—or, to put it more specifically, the working people of Ontario—and on the other hand by the public of Canada; or, to put ir more specifically, the working people of Canada, and even within that specificity, the people who work for the CNR.

Here we have an amount of $48 million for the purpose of building yet another high-rise office complex in the city of Toronto, as if we did not have too many already. One might say these moneys were advanced to a private corporation which in turn supplied a rather large amount of money of its own to build this project. But, surprise, surprise; this corporation which is totally foreign-owned—and for once it is not operating with American money but Italian money, although it is foreign money—received loans from the Canadian people, not from the stock exchanges, not from private dealers but from our publicly-owned corporation at the federal level, on the one hand, and a public institution at the provincial level, on the other hand, in the sum of $48 million to build this building the total worth of which is to be in the order of $53 to $55 million. That left a difference between $48 million and $53 million, so they turned around and went to Canadian private lenders to borrow this money.

We have here a situation of a foreign-owned corporation coming to this country, with nothing but gall and the stupidity and gullibility of parliament and the legislators of Canada, and setting up a development which it will control totally, having used almost none of its assets and mainly the assets of the Canadian public, and, more specifically, the assets put away for the old age of the Canadian workers across this country or the assets put away by workers in Ontario for protection against their disability at work.

An hon. Member: Shame.

Mr. Harney: I asked the question in the House and, of course, it received some attention because the situation was known. It had been not only reported in the newspapers but had been the subject of a public inquiry by the legislature of Ontario. It was known that Fidinam Corporation had, in consideration for the loan it received from the Workmen's Compensation Board of Ontario, made a grant of $50,000 to the Progressive Conservative Party of Ontario.

Some hon. Members: Oh, oh!

Mr. Harney: My point received attention then, as I am sure it is now, because it is a massive, old-style political scandal. It was probably felt by members of the government party that I was insinuating that they, too, probably received some kind of benefit from the CNR pension fund loan to Fidinam. Nothing of the kind; I am sure they are clean. As a matter of fact, in answer to my question in the House the parliamentary secretary to the Minister of Transport (Mr. Guay) said it was a perfectly legitimate transaction. Indeed it was. Under the law of Canada it was a perfectly legitimate thing for the CNR pension fund, which by the way is totally controlled by the investors of the CNR, to invest the workers' money in this enterprise without asking the workers.

What exactly was the scandal? It was not the fact that they may or may not have given something to the Liberal Party. I suspect they did not. As a matter of fact, if I were a member of the Liberal party I would be a bit annoyed if I did not get a cut of it. But that is not the point. The point is there are workers in Canada who need housing. As we all know, and as the hon. member for Calgary North (Mr. Woolliams) has said time and time again in this House, there is need for investment in housing.

Here we have a public fund that is dishing out money to a foreign corporation so it can set up yet one more totally useless high-rise office building right in the middle of Toronto where we do not need it. We have before us a bill which has to do with the capital allocation that this parliament is being asked to approve for the CNR. I think it is totally right and proper for us to ask just what the CNR intends to do with all this money. Sure, it would be very nice to say that it intends to offer better service to Canadians, that it intends to finally deliver the hopper cars to the west so that western farmers can move their wheat, or that it intends to bring back the old railway dining car.

You know, Mr. Speaker, I am getting on myself; I am well into my forties now. I look forward to the day when I can tell my grandchildren how it was in the good old days when we could travel on the railway and have a meal in the dining car. Those days are gone forever. Members of this House will be able to recount this story to their children, their grandchildren or their great grandchildren. But it is gone forever.

Sure, it would be nice to talk about the capitalization of the CNR for the provision of this kind of service. However, what I want to do tonight, and what other members of my party want to do in the days and nights to come, is to ask to what socially useful purpose for the benefit of the people of Canada will this money be used, because we have already had some horrible examples of the way the CNR uses its capital. A short while ago, had it not been for a mass reaction on the part of the people of Vancouver, the CNR, through its investment policies, would have lent money to a private corporation, the Four Seasons Hotel Corporation, to build a hotel on government property, which it would have bought from the government, right on the frontier boundary of Stanley Park in Vancouver. This is an example of total insensitivity to the needs of the people of Canada and to the value of a piece of property such as Stanley Park. So we must ask ourselves what the CNR intends to do with this money.

CNR and Air Canada

● (2100)

Recently the people of Canada, and particularly the people of Toronto, have been apprised of another wonderful project on the part of the CNR and its investment policies, namely, the Toronto CN tower. It is going to be a marvellous, wondrous project sticking up some 1,800 feet above lake level, whatever that is these days in Toronto, an it may not be very high as the lakes keep rising. It is to go up some 1,800 feet above lake level and it will be the first aspect of this vast development, backed by CNR, called metro centre right on the lakeshore of the city of Toronto.

I know that we the members from Toronto are accused of being parochial, that we are always talking about Toronto, but I would ask members of this House who come from other parts of the country to look very closely at the expenditure that CN investment policies intend to put into the city of Toronto. If I were from somewhere else I would be a little jealous, because that project now is slated to cost hundreds of millions of dollars. The CNR is in a kind of partnership with a private corporation, and Lord knows what the offspring of that coalition, if I may call it that, will be.

As the very first aspect of the project of metro centre, this obscene structure is to go up, namely, the CN communications tower. What is the true use of this tower? Oh, yes, we are told it is to be a wonderful new device to aid and abet electronic communications in the Toronto area. The CBC, I am told, will make use of its facilities. We could ask ourselves in this House why it was that as recently as two years ago the CBC spent so much money to refurbish and ameliorate its transmitter and antenna facilities in Toronto if it was simply going to move in as part of the CN tower a year or so afterwards.

The CN was supposed to go along with a partner in the building of the CN tower, but somehow or other the partner dropped out; perhaps because it was not a viable financial project. So we have the CN doing it alone. As you know, statements have been made by the pilots' associations of Canada to the effect that this tower will present a very real danger to air traffic over Toronto, particularly air traffic using Toronto island.

I do not have to tell you that if we intend to develop short take-off and landing air facilities in Canada, we will have to seriously consider using the Toronto island airport. I wonder how many members of this House from the Toronto area would like to take off in a STOL aircraft in what we call a misty day in Toronto, or come back late some Friday evening in mid-winter when the sky is somewhat unclear, knowing that the aircraft will somehow have to negotiate this tower which sticks up some 1,800 feet into the sky. The safety of this tower is really questionable, as is its presence in the Toronto air space.

The aspect of the tower with which I want to deal, however, is how interesting it is that the CN should decide that as the very first part of the metro centre development it should not build the new transportation centre, it should not build the new office complexes, it should not build the new residential housing which is supposed to go into that area—and I will have more to say on that later—but it should put up this tower. It is a cheap publicity trick.

[Mr. Harney.]

Once the city of Toronto gives its approval, CN will begin building this tower in the spring. It was proposed that it be finished by 1974. That is a pretty hasty erection. The object of it is so that the people of Toronto will be told. "Look at the tower. Look at what we can do for you. Aren't you the proudest people in the world? You have this tower. We can build the rest of metro centre for you." This is a publicity gimmick, and nothing else. Millions of dollars will be spent to build this tower which will not be of any use to either the people of Toronto or the people of Canada.

How much will the tower cost? I do not know. As I read this bill, I see the amount on page 2. It reads: "CN Tower Limited, $8,800,000". I suspect that this bill is not up to date, because other figures have been quoted such as $18 million. I suspect that the figure of $8,800,000 includes only the part that was originally to be paid by CN when it was in partnership. I suspect that now we will have to carry the whole pack and it will be much more than $8,800,000 even at its inception, let alone at its completion.

I have said a few words about the metro centre and this is really what I would like to come to tonight. For members of the House who do not have the happy accident of being representatives of ridings in Toronto or the Toronto region, I think it is worth while pointing out that metro centre will cost several hundred million dollars. A development company has been set up to develop metro centre. For those of you whose familiarity with Toronto may be slight, let me point out that metro centre will be established south of what is now known as the Union station, which may be shortlived, and will extend to the lake. To the west it will be cheek-by-jowl with the park that was promised to us in Toronto as one of the election goodies of the present government.

Mr. Caouette (Témiscamingue): It is a French station.

[*Translation*]

An hon. Member: Union Station.

Mr. Harney: —Union Station, gare Union, please! What is the meaning of the word station in French? We say a station of the Way of the Cross, but—

An hon. Member: Les gares—

Mr. Harney: —CN stations, better still.

[*English*]

I stand corrected, Mr. Speaker. This will be an extremely large project. It will take many years to complete. I think it is important for members of the House to realize that CN is a major partner in the development company which will build and develop this project. Many questions have to be asked about this project. First: What consideration has been given by the developer, of which CN is a major partner, to the total urban development of the city of Toronto?

Any city has to bank upon its natural assets. The city of Montreal takes pride in having a mountain. In Toronto we have to look to the lake, and when I say "look to the lake" I mean it because in most areas of Toronto you have to look very hard to be able to see the lake. We the residents and citizens of Toronto are separated from this great

natural asset by highways, railways, warehouses, factories, bakeries and commercial enterprises of many kinds.

Metro centre could be an extremely valuable and humane development if it were built so that families could live there, not just residents; because there are residents in Habitat, Montreal, right by the harbour but there are not many families. There are some real questions that have to be asked about the kinds of residential development which will be allowed in metro centre. There are other kinds of questions that have to be asked as to whether the city of Toronto really needs that much more office space. It is now a fact that in the city of Toronto the renting price of office space in older buildings is going down because we are beginning to have a surplus of new office areas. We have had a lot of building in the office realm and we should really ask ourselves whether it is really wise for the CNR to invest yet more money in this area.

● (2110)

There are questions to be asked about the location of the transportation centre itself in the metro centre development. At present we have a rather nice gare Union in Toronto. It is a place acclaimed by architects all over the continent as one of the finest examples of railway architecture in North America. It is a very fine building. There are very few buildings in this country, indeed on this continent, which have the sense of generosity of space that Toronto's Union station has. It is a superb railway terminal. The proposal contained in metro centre is to abandon the Union station as a railway station and to build a new transportation centre, as I understand it a little to the south and a little to the west of it.

The city of Toronto has built itself a subway which connects directly with the Union station, and it is an extremely useful arrangement that you can take the subway and go to the train terminal or to the Royal York hotel and take the bus to the airport. Mr. Speaker, let us ask ourselves how useful it will be for the people of Toronto to stop using the Union station as a transportation terminal and to have to go from the subway, from the main road arteries down to the new centre which will probably be extremely convenient for the CNR but not for the people of Toronto.

There are many questions of that kind to be asked about the capital project of the CNR involved in metro centre. But the last question I want to ask is perhaps the most important one. I ask: Where is the CNR going to get the money for the metro centre development? I have looked through the annual reports of the CNR and I have been trying to find some information about its investment policies. I find myself rather short of information. If I look at the list of officers, I can see that they have officers in charge of the investment division, including a chairman of the division and the general manager of the division. I looked through the annual reports, the latest of which I have is for 1971, and I find statements with regard to various aspects of the CNR financial operations. But I do not see very much about the CNR investment policies.

I challenge any member of this House to tell me whether he has been able to get out of the CNR any detailed information at all about the corporation's investment policies. As a matter of fact, you can probably get a little bit of information, if you are a good gleaner, from the statement on page 44 of the last report with regard to the pension trust fund. It gives a statement of its financial position as of December 31, 1971, and in very skimpy detail gives us the bare bones of CN's investment policies as far as its pension fund goes.

Globally, we have presented to us the figure of $255 million for mortgages. There is no more detail than that. If you tried to run a company in the private realm and presented a statement of this kind, you would be hauled before the securities commission of whichever province in which you were operating. This is not a statement. It is a fairy tale. And no wonder it has to be a fairy tale, because the CNR does not dare to detail to the people of Canada, to this parliament and to those workers whose money it directs to its own particular purposes the specific aspects of its investment policies. If it did, there might not be a resolution in Canada but there would be series of riots and rebellions in all centres of this country, rebellions which could not possibly be put down by any act of this parliament because they would be justified.

I want to end on this note, Mr. Speaker. Surely, if we have a public corporation which is responsible to this parliament we, as members of this House, should know in detail what its investment policies are and what are the purposes of these policies. And we should be able to decide the direction of the investment policies of this corporation. First of all, it is a public corporation. Secondly, it is a large corporation; and when I say large, I want members of the House to realize that just one aspect of this corporation, the CNR pension fund, has control over some $1.36 billion at this time—and that ain't hay!

Mr. Speaker, I hope to hear later from the Minister of Finance (Mr. Turner), whose bill in a sense this is, and from the Minister of Transport (Mr. Marchand)—I would even be willing to hear from the parliamentary secretary to the Minister of Transport—on the investment policies of the CNR and what it is doing in particular with the money it has gleaned over the years from the men who have dedicated their lives to the operation of this publicly-owned corporation in Canada.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I am glad I received a little clap when I rose to speak, because I do not think this is going to be a very exciting speech. I want to say something tonight about my home city, Calgary, in reference to the depot there. That city, in my opinion and in the opinion of the 450,000 people living in it, serves the southern part of Alberta, the resource industry, the ranching industry, the farming industry; and we have been neglected.

On January 23 last we saw some light. An announcement was made by the Minister of Transport (Mr. Marchand) in which he said a new $57.7 million air terminal complex would be built in Calgary over the next three years. No one can quarrel with that. But I ask, when will it be finished? The need is great. The initial work is scheduled to begin in the summer of 1973 and it will not be complete until 1976. I plead with the minister to start the project now. There is unemployment in Canada, but above all there is serious need, in the heart of what we call the oil capital of western Canada, for a new air depot because

of the inadequacy of the present one to serve the travelling public and the people who work in Air Canada, CPA and the Department of Transport.

Here is the history of the present depot. At the beginning of the 1950s the air depot was owned by the municipal body. The airport, like other airports, was owned by the Department of Transport. It was a nice depot; in fact, it was the talk of Canada at that time. Because it suited the existing need, nothing further was done. Since that time, all across the country—at Halifax, Montreal, Toronto, London, Windsor, Winnipeg, Edmonton, Vancouver, Regina and Saskatoon—the DOT has built new depots to serve the travelling public who use Air Canada and CPA. Then in 1965—it might have been in 1964—an agreement was made between the city of Calgary and DOT by which the latter purchased the depot from the municipality.

At that time the Hon. J. W. Pickersgill was minister of transport, and he promised that Calgary would immediately get a new air depot because of the inadequate size of the existing depot. The deal was consummated, the money was paid to the city, and the city looked to the federal government of the day—and is still looking to the federal government—for action. This air depot is something like the Saskatchewan dam. For years Jimmy Gardiner promised a dam for Saskatchewan, but it was not built until John Diefenbaker became prime minister. We have been waiting and waiting for action on the air depot.

● (2120)

In 1969, things became desperate. When I read the figures, hon. members will understand why. I am going to make a good case and, I hope, influence the minister. I put the following question on the order paper, which was answered by the minister on February 19, 1973. Question No. 428 reads as follows:

1. When will the construction of Calgary's new federal air depot at the international airport commence, and when will it be completed?

2. How many people used the Calgary international airport depot for the year 1972, for the purpose of leaving or coming (a) into Calgary (b) into Edmonton (c) into Winnipeg?

3. In 1972, what was the number of commercial airplanes that landed and took off from the (a) Calgary international airport (b) Edmonton international airport (c) Winnipeg international airport?

The answers can be found at page 1393 of *Hansard*, Mr. Speaker. Edmonton has such a large airport, and it is built so far out of town, that you could almost say it was in Red Deer. The only figures available are for 1971. These were given to me by the Minister of Transport, and I know they are accurate because I checked them. At Calgary international airport 985,375 people either took off or landed. Edmonton airport has a corridor where you walk so far that you can never see the end of it. It is deep in the country. There were 100,000 less people leaving than arriving, and 866,340 people used the airport for both arrivals and departures. Winnipeg, which is called the gateway to the west, was used by only 856,000 people.

These figures show that Calgary is a very busy international airport. In 1969, the situation was so desperate that you could hardly move in or out of the airport, and since then several millions of dollars have been spent to erect temporary buildings. Everybody here knows what that means; the Department of National Defence is still using the temporary buildings erected in the Second World War.

[Mr. Woolliams.]

Mr. Speaker, I invite every member of the House to come to Calgary for Easter—come to Lake Louise or Banff and enjoy the beauty and the atmosphere. But what is happening today? Under the new rules of the Solicitor General (Mr. Allmand), 44 RCMP will be stationed in the depot at all times. The congestion is such that when you walk up some sort of ramp to the second floor, only six chairs are available for 112 people. The government must have thought they were building cattle pens. The area is heated by an electric heater which is likely to burn you.

The security check is impossible. Passengers are crowded in like cattle and are told that anyone without a handbag or briefcase can go through; they separate people into carriers and non-carriers. Passengers are then herded into this pen, and as a Member of Parliament you pray that you get on first-class. You wait days to get a reservation out of Calgary and I am told you wait four or five days to get out of Regina. For two summers there was no air-conditioning. Employees did not want to petition because some were employed by DOT, some by Air Canada and some by CPA and all are dependent on the government to get things organized. I must give credit to the former minister of transport, because when I complained last summer they did get some form of air-conditioning.

There are no facilities for the aged, the infirm or the sick. There are no wheelchairs and anybody who cannot walk must board the plane on a stretcher. I see that the minister is rubbing his eyes. I wish he had been here when I congratulated him for at least making the statement to which I referred. I am very serious, Mr. Speaker. I know the minister is a hard worker and a dedicated man, but I hope he will make a personal visit at Easter if possible. I will see to it that he gets the best hospitality from the Chamber of Commerce and from the mayor. I am told that the mayor is a Liberal. I hope the minister can promise to get matters moving during 1973, and completed before 1976. The present conditions are not the fault of this minister; he inherited the problems. But the one million people using the airport are trying to get service.

The working conditions there are a disgrace, not only to the city of Calgary but to the province and to Canada. It is worse than the airport we used to have at Ottawa. When President Eisenhower landed here and looked around, he thought he was in the wilderness. Calgary is the centre of the resource industries, people come there from the United States, France, Germany, Britain and all over the world to deal in petroleum and natural gas. The airport is busier than Edmonton or Winnipeg, and is as busy if not busier than Vancouver, yet it has the poorest facilities. It is totally inadequate for the people being served by the airlines, and it is totally inadequate for the employees. No other city would put up with it. It is totally unacceptable to the workers, to Air Canada and to CPA and should be totally unacceptable to the DOT workers in Calgary or to any other corporate body.

Mr. Speaker, we cannot wait until 1976. In the minister's news release of January 23, 1973, he said:

Initial preparatory work is scheduled to begin in the summer of 1973.

I am always frightened by that word "begin".

When it is completed early in 1976—

If I know anything about government projects—it does not matter whether they are NDP, Conservative or Liberal, provincial or federal; they are all the same—it is generally two years later.

—the terminal will be capable of handling up to two million passengers a year.

I believe that will be 1976 or 1978. We have one million passengers now, and by then there will be two million. They will have to truck them to the planes because they cannot use this depot. I cannot speak with any more feeling than I have tonight. We are spending $2 billion on unemployment insurance; everybody is crying about it and making politics out of it. We should take that money and get this project moving. In 1939, when this country was at war, things were built overnight. If this can be done in times of crisis, why can't it be done in peacetime? Why do we have to drag our feet?

● (2130)

Calgary needs an airport. We have the money and the know-how, and people are looking for jobs. Why does the minister not show that he is a man of aggression and that he loves western Canada? If the airport is built, even Pat Mahoney will not lose his deposit the next time.

Some hon. Members: Hear, hear!

Mr. Woolliams: The minister also said:

Projected increases show that by 1980, 3.1 million passengers will be processed annually; by 1985—4.6 million—

If the minister means "processed", we have processing plants in Calgary of various kinds. I can name them. Instead of having me and several others represent them, I wish all the people of Calgary could come here personally to express their feelings of frustration when they try to get on Air Canada and CPA planes.

I wish to leave with the minister one other thought. This has been said before, but because of my humility and modesty I think I can say it stronger. As a westerner from the city of Calgary, I am tired of being funnelled into Toronto and being told that although a plane will be leaving for Ottawa in 30 minutes, because of some rule or regulation which states that if a plane lands for less than 30 minutes, even if the seats are empty, you cannot get on it. I have been engaged in that kind of fight. If a fellow from Toronto takes on a westerner, he knows he is taking on someone. They folded, and put me on the plane. I should not have had to go through that frustrating experience. Why should the travelling public?

Edmonton, the capital city of Alberta, the oil capital of the world—of which the NDP seem to be so jealous—should at least have a direct connection with the city of Ottawa rather than being funnelled through some other city with a delay of one hour to three and a half hours. I must relate what happened to someone I consider to be a fair minded man. He became so frustrated that he left a suit of clothing in the depot. The following day he contacted Air Canada and they located the suit. The only way he could get the suit from Air Canada was to pay an express charge of $8. Do you know who that gentleman is? Me. I was not very hospitable toward those dedicated public servants.

The people at the Toronto airport have a great sense of humour. During the course of the argument a fellow came up to me and said that if I had any trouble I should take it up with my Member of Parliament. I finally realized what little power and what little force we have. Maybe the Prime Minister (Mr. Trudeau) was right when he referred to strawmen and said they were nobodies. What about the people who have not been elected to parliament? What kind of service do they get?

In conclusion, I ask that the situation at this air depot be remedied. It is most disgusting for a busy city of that size. Second, the minister, by himself or with a whole body of people, should straighten out Air Canada so that we can get some decent service in this country. This is not a political speech. If this project is left to 1976, I can promise that Pat Mahoney and any other Liberal candidates in Calgary will see even less of the horizon.

Some hon. Members: Hear, hear!

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, for me this is the fifth annual event on the CN financing bill. I know the hon. member for Calgary North (Mr. Woolliams) has taken part in this debate for many more years than that. I have been party to this kind of debate four years out of five, because in one year the bill was not passed. What strikes me as strange is that we always lose sight of the main thrust and purpose of the bill. I have been as guilty as any other member in complaining about the schedules, the terminals of Air Canada and the train service. This is a good opportunity to do that. However, the real point is not mentioned. Each year we go through this exercise and vote funds, not only for the capitalizing of the Canadian National Railways' system and Air Canada but to cover deficits of the CN system.

Under successive old-style governments it has been a tradition since 1923 to establish a public corporation to which they pay lip service and then refuse to let it function as it can and should. They handicap it with a debt structure that makes it impossible for it to succeed in any meaningful way in terms of providing service to the public. The hon. member for Calgary North wonders and worries about the inadequacies of terminal capacity, baggage handling, and so forth, in his city. I defy him to name any private corporation that could or would operate under the financial handicaps the CN system has had since 1923.

We are saddled with a corporation, regardless of whether it is privately or publicly-owned, which started off with the deck stacked against it. In its beginning it was saddled with the debts of bankrupt railways which private enterprise could not operate. We are still paying those debts. In the course of being saddled with the debts of five or six bankrupt railroads which were brought into the CN system, including the Grand Trunk, the Grand Trunk Northern and the Grand Trunk Pacific. On top of having their annual capitalization, they have always been saddled with the original debt of these bankrupt companies.

I do not pretend to be an expert in this area, but it seems that the remaining $1,900 million public debt on the CNR books should be taken over by the government of Canada in return for shares that may or may not pay 3 per cent or

4 per cent per year. They should remove forever the handicap that our publicly-owned rail and air transportation system have had, particularly CNR.

We go through this exercise every year. In previous years I have heard the hon. member for Témiscamingue (Mr. Caouette) talk about the glories of the CPR because it makes a profit. He and some members of the official opposition seem to forget that most years CN has had an operating profit. I believe the last figures shows a net operating profit of approximately $50 million. However, the interest on the debt which goes back to 1923 was $72 million. Parliament had to vote an additional $22 million or $23 million because the interest on that debt ate up the net operating funds plus an appropriation from parliament.

● (2140)

In 1923, the railroads of the day, all of which were privately owned, were in financial difficulties; they were going belly up. That is the problem we were faced with. But why pass this burden on to a succeeding railroad which is owned and operated on behalf of the people of Canada? If we feel that as a nation we have some kind of financial obligation to pay off the bonds of bankrupt railroads—and I do not agree we have—why impose this liability on a succeeding railroad which is publicly-owned?

Believe it or not, there are still $4 million worth of bonds on the books of the CN which can never be paid off unless a special act of parliament is passed, because they are held in perpetuity—3 per cent interest in perpetuity. That is a long time. It is even longer than never. But these bonds of indebtedness are still a burden on the back of the CNR.

No corporation, public or private, can operate outside the limits of government policy. It can only operate as well as government policy will allow. And while we all have complaints about rail services, branch line abandonment, station agencies, air terminals or air traffic schedules, these are only a small part of the total picture. Unless and until parliament is prepared to make fundamental changes in the direction and purpose of national transportation policy, we shall continue to go through this exercise each year, and each year we shall vote $20 million or $30 million more to pick up the deficit of the CN system to pay off the indebtedness with which the railway was saddled, almost $2 billion, in 1923.

Another aspect of the tragedy brought to mind by the annual exercise we go through in considering the CN financing bill is this. The CN, which is publicly-owned, is a convenient victim of all the brickbats and complaints of Members of Parliament and the public. The CP has yet to answer for some of its actions perpetrated at the expense of the public. We cannot get at the CPR. I would hope that in this parliament, with the help of an excellent and respected chairman of the transport committee, officials of the Canadian Pacific will appear before the Standing Committee on Transportation and Communications, for the first time in about seven years, because we have some questions to ask these gentlemen. It is entirely unfair. I must confess to some feelings of guilt about this myself. We tend to take too much out at the expense of the CN because of the occasion provided by the annual CN financing bill. Too often it is the CP which has led the way in abandoning branch lines or making applications to close stations.

I think we have been very fortunate in the kind of employees and managerial people we have in both the CN and Air Canada. We are fortunate they have not quit on us. What we are doing to Air Canada right now, in terms of national air policy vis-à-vis Canadian Pacific Airlines, is equivalent to what we have been doing all along to the CN vis-à-vis the CPR.

Air Canada is supposed to have exclusive access to Europe, the Caribbean and the Atlantic routes and supposedly CP Air, under the Orwellian-Pickersgillian policy, was to have exclusive rights in the Pacific and South America. But over the period of years since the fifties the picture has been altered. CP Air has been given rights to Lisbon and Madrid. By golly, the next thing we knew it obtained rights to Amsterdam. The Minister of Transport (Mr. Marchand) is likely to recommend to the cabinet that it be given the route to Milan, Italy, In fact, I would be prepared to bet the minister a crock that this is what he will do. I would be happy to lose that bet.

Air Canada should be getting the new routes to Italy, the new landing sites in Germany, and extended routes the government could negotiate to Greece, the Middle East and to Asia. I doubt they will get them. I suspect they could get exchange routes with the Russians to Moscow and maybe to Siberia. But this landing site in Italy will go to CP, I will bet a nickel. I will take that bet up with the minister as well. But when Air Canada asks for a share of rights in the Pacific, the answer is; "Oh, no; those are reserved for CP Air," after all, that has been national air policy for the past 15 years. Surely, if it is logical to let CP Air erode the viability and the profitability of Air Canada in the Atlantic and on European routes, Air Canada is entitled to routes to the Pacific rim countries. We cannot get a word out of the minister or the government on that score.

It seems to me it would be logical to let Air Canada take routes to the Philippines and to India in both directions or, if you like, in one direction all the way around the world. The government and its predecessors of both stripes, right and far right, have continually handicapped our public corporations by imposing policies which make it impossible for them to succeed. We have continued to syphon off some of the best routes Air Canada had, giving them to CP Air or to regional carriers which have government heelers on their boards of directors. Air Canada suffers as a result, and the public complains about its usefulness.

I wish this government, or some government, would leave a clear field for a publicly-owned corporation answerable to parliament to operate under conditions of really open competition with private carriers answerable only to their boards of directors. I should like to see that kind of fight. I was hoping that the Minister of Transport would have been willing to engage in that kind of fight. Our national transport policy since 1967 mitigates against the publicly-owned corporation and on every occasion the CN or Air Canada have been succeeding, or on the verge of succeeding, there seems to have been a move to say, "Well fellows; that is far enough. Let somebody else have this, the CP, or Trans Air, or Quebec Air or Nordair." They

would not operate when they could have had the routes by themselves, but they came in afterwards to get the gravy.

This is what the bill before us is all about. We can raise questions in committee about terminals or schedules or branch line abandonment, but unless there is a national transportation policy which allows publicly owned carriers to function as they could and should function, the things we are complaining about are only the results of the failure to approach the subject in a basically satisfactory way. Since confederation, the Canadian economy as a whole, and more particularly Canadians isolated or nearly so by their geographical situation, have had to pay too high a price both individually or as part of an enterprise for transportation either of themselves or of their goods to other areas in Canada.

Where transportation is privately-owned, it must operate on the basis of making a profit. If it is publicly-owned, it has to operate on the basis of profitability first, and the provision of services has to come second. Privately-owned enterprises have to make a profit. That is the only reason for their existence. If transportation enterprises are publicly-owned and are required to operate on the basis of profitability, they cannot provide adequate service in a country with our kind of climate and geography. It is an illusion to think we can maintain a national air and rail transport system when the motive for operation is profitability. I submit this has resulted in an inefficient service to the public and a discriminatory transportation system which fails to meet the needs of the Canadian economy as well as the convenience of individuals. Our publicly-owned air system has been prevented from doing a better job by depriving them of lucrative routes. The government has already helped private carriers by handing them new routes, particularly international routes, which really means CPA.

● (2150)

I have been here for only five years. Many members in this place have been here for 20 or 25 years. It has been our repeated plea that we need a national transportation policy which is made in Canada, one which takes into account our geography and climate. Our 1967 National Transportation Act needs to be drastically revised to the point where the provision of transportation services—I emphasize the word "services"—rail, air, pipelines, etc., takes priority over whether or not those services are economic or profitable. A national transportation policy that takes into account the geography of the country, as I have said, a transportation policy that equalizes costs to as great a degree as possible for the delivery of goods and people, is what is required.

We must also include in this policy, communications, equalized and/or subsidized freight, express, telecommunications and passenger fares. Other countries have been doing this—northern countries—for decades. We are still trying to operate a transportation system on policies out of the 1890s taken from our neighbour to the south. Even there the great private enterprise system of the United States has been going belly up over the last ten years. They now have a system that is publicly-controlled and operated so far as passenger services are concerned in a complex of seven or so large U.S. railroads, but even this is not succeeding because they have gone about it by adopting half measures.

We must treat transportation as an essential public utility and think of it in that way, because public utilities operate best for the public, in that it takes priority over the demands or considerations of boards of directors, shareholders, or for that matter members of Parliament. If we are not prepared to have a National Transportation Act that has this central theme and thrust, we will continue on down the road we have been travelling and lose three or four thousand miles of rail lines on the prairies. We will lose upward of five to six hundred agencies all across Canada. We will lose a viable air transportation system that is publicly-owned because it will continue to be eroded. We will see our publicly-owned transportation systems paying attention to shopping centres and high-rise office buildings while trains are later and airports cannot handle our baggage. All of this calls for the public ownership of rail and air transportation facilities and pipelines. Many other countries that have been very strongly free enterprise-oriented did this years ago and have transportation systems from which we can learn something.

My second point, which I should like to hear about from the Minister of Finance (Mr. Turner) before the debate on second reading concludes, concerns the government giving some kind of undertaking or commitment that some $1,900 million of the old debt of the CNR will be taken over by the government of Canada in return for an equivalent value of shares in the Canadian National system, so that the system is entirely owned by the public of Canada through this parliament. Thereafter, there will be no more interest on debts amounting to $20 million to $30 million a year in excess of the operating profits of our own rail transportation system.

Further, I submit that our air transportation systems, both national and international, have to be publicly-owned and operated. Further, we want a commitment or undertaking from the Minister of Finance before this bill receives second reading that there will be a further moratorium on rail line abandonment, as well as a moratorium on the closure of agencies and the establishment of the so-called customer service centres. There must be a massive expenditure to improve transportation facilities and to substantially expand their capability, as well as use made of ports like Churchill and Prince Rupert. We will expect to hear something about all these matters from the Minister of Finance before concluding the second reading stage of this debate.

* * *

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, on a point of order I should like to ask the government House leader what business he proposes to invite the House to deal with tomorrow.

Mr. MacEachen: Mr. Speaker, tomorrow I hope to have the House adopt on motions the adjournment motion which will permit the House to rise after the business on Wednesday. Tomorrow I should also like to call the report stage of the Emergency Gold Mining Assistance Act and

the Export Development Act. There are no amendments listed, so probably we could take third reading tomorrow. I suggest we might spend from eight to ten o'clock tomorrow on the conclusion of the debate on food prices curbs and concurrence in the committee report on food prices.

Following these items, so far as we can complete them, I should like to call at some point a short amendment to the Public Service Staff Relations Act of which notice has been given,—it will be on the order paper tomorrow—followed by crop insurance and the Aeronautics Act.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

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

POLLUTION—QU'APPELLE LAKES, SASK.—IMPLEMENTATION OF RECOMMENDATIONS IN REPORT

Mr. Jim Balfour (Regina East): Mr. Speaker, on January 30 I directed two questions to the Minister of the Environment (Mr. Davis) concerning the implementation of the Qu'Appelle board study report, a study carried out by the department in co-operation with the governments of Saskatchewan and Manitoba. At that time Mr. Speaker indicated that if there was urgency, the subject could be debated at the time of adjournment.

The Qu'Appelle basin study was started in 1970, the report was completed in 1972 and it was made public in January, 1973. The report makes two main types of recommendations, long-term recommendations and those which require swift implementation. That report makes clear that sewage from the cities of Regina and Moose Jaw, and the Canadian forces base is the principal cause of the decay of the lakes in the Qu'Appelle River system.

It is estimated that about 2.8 million pounds of nitrogen and 2.2 million pounds of phosphates are being dumped into the system annually, 70 per cent of it from these sources. This is a situation that must be remedied if the Qu'Appelle lakes are to be saved. What is required is that these two cities upgrade their sewage treatment facilities in order to remove these nutrients from the effluent before it is discharged into the river system.

The report estimates the total cost of effluent control for which immediate action is recommended at $15 million, half of which would be required to instal the necessary treatment facilities at Regina and Moose Jaw. Clearly, a financial commitment of this scope will be difficult, if not impossible, to manage at the municipal level.

The Qu'Appelle valley and its lakes and rivers represent an irreplaceable national asset as important to the people of Saskatchewan as the Fraser River system is to the people of British Columbia. However, the financial burden of solving the pollution problem of the Qu'Appelle is for the most part being left by the federal government to these two cities.

[Mr. MacEachen.]

The minister can boast, as he did in Vancouver on February 5, that his department has spent almost $40 million on sewage treatment works in British Columbia since 1970, but when asked what he intends to do in Saskatchewan he remains strangely silent. Is it any wonder that the federal Liberal party has become a rejected and discredited political party in the prairie provinces of western Canada, given this kind of attitude by its ministers?

The situation calls for leadership from the Department of the Environment and a sense of urgency in the implementation of this report. What is being demonstrated is not a sense of urgency but a sense of inertia and drift. The citizens of Regina will pay their share of the cost of these facilities and more, but to expect them to provide sewage treatment facilities at a higher level than any other major centre in Canada, which is the case, without substantial assistance from senior government is just not reasonable.

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, my minister answered this question in the House on February 1 but I should like to elaborate on that answer at this time. At a press conference in Regian on Saturday morning, January 20, the Minister of Justice (Mr. Lang), speaking for the Minister of the Environment (Mr. Davis), announced that the federal government would indeed participate with the province of Saskatchewan in the implementation of the recommendations made by the Qu'Appelle basin board.

To facilitate the arrangements, a negotiating team was appointed to enter into discussions with Saskatchewan to work out details. In connection with the recommendations for the installation of tertiary sewage treatment plants in Regina and Moose Jaw, I should like to advise that the environmental protection service is already taking steps to establish an adequate treatment plant for the Canadian armed forces base at Moose Jaw as part of the government's previously announced $60 million program to improve waste treatment at all federal installations across Canada.

The Hon. Jack Davis is prepared to recommend that we make available to Saskatchewan the same assistance that we have provided to the province of Ontario through the Great Lakes agreement, that is, to ensure that sufficient funds are available through the Central Mortgage and Housing Corporation fund so that the loans to the municipalities, which have a 25 per cent forgiveness feature, will be readily available.

In addition, as with the Great Lakes agreement we are prepared to share on a 50-50 basis with the province of Saskatchewan any costs which might be involved in pilot plant construction and operation that may be required to determine the most efficient type of treatment to deal with the nutrient problem at Regina and Moose Jaw.

Mr. Deputy Speaker: Perhaps hon. members, in making their contribution, would refer to other hon. members by either their ministries or the seats they hold.

INCOME TAX—PRACTICE OF DISCOUNTING TAX REBATE CHEQUES—REQUEST FOR GOVERNMENT REGULATION

Mr. Doug Rowland (Selkirk): Mr. Speaker, over a year ago I first drew the attention of this House to a practice which members in all parts of the House found deplorable. I refer to the practice of discounting government cheques. I think it would be worth while to take a moment to explain this term. It is possible in most major centres in this country, and it would seem especially so in western Canada where such enterprises advertise in daily newspapers, if someone is in desperate need of money and is guaranteed receipt in the future of a government cheque such as for unemployment insurance, old age pension or as an income tax rebate, to secure what amounts to a loan with the anticipated cheque as security. However, the procedure followed is for the lender in effect to purchase the cheque at a reduced amount. That is the reason for the term "discounting".

Thus, if someone anticipates receiving an income tax rebate, say in the amount of $500, and there is solid evidence to support his expectation, a discounting operation might offer such a person $350 in cash, half now and half on receipt of the cheque, in return for the total cheque being turned over to the business offering the cash. The amount discounted, if computed as interest on an annual basis, would customarily amount to 1,000 per cent to 2,000 per cent.

The operator of such a discounting operation encounters little or no risk because before providing the cash he requires definite guarantees that the government will, in fact, be issuing the cheque in question. Moreover, he usually requires that arrangement be made for the cheque in question to be sent to his address rather than to the address of the person to whom it is nominally payable. Interest at the rate of 1,000 per cent to 2,000 per cent for a loan involving no risk to the lender can only be termed usury.

I raised this question last year in connection with the discounting of unemployment insurance cheques. I am sure that other members, while they may not have done so in the House, have made private representations to the minister. As a result of these efforts, the Unemployment Insurance Commission established new regulations which had the effect of preventing the use of an address not that of a claimant under the unemployment insurance plan without the permission of the Unemployment Insurance Commission. This did much to correct the situation with respect to Unemployment Insurance Commission cheques.

Further, I am given to understand the government instituted legal proceedings against one such loansharking operation in Alberta as a test case. One of the series of question which I asked on March 7 which has given rise to the debate this evening was of the Minister of Justice (Mr. Lang) asking him the status of that case. He took the question as notice and undertook to report to me privately. I am still waiting for the information and would hope that whoever replies this evening will present it to the House.

Beyond that I asked, in order to end such deplorable practices as they affect income tax rebates, if the Department of National Revenue was contemplating action similar to that taken by the Unemployment Insurance Commission. My question received a very sympathetic but unenlightening response from the minister. If I had time I would quote his answer because it provokes three further questions which I hope might be answered this evening. First, does the prevention of such practice require an amendment to the Income Tax Act and, if so, does the government intend to introduce such an amendment, and when?

Second, can charges be laid against such usurers? However, such a question is not permissible since one cannot demand a legal opinion of a minister, so I would simply ask whether the government intends pressing charges against such operators? Third, has the Department of National Revenue taken steps to prevent the mailing of an income tax rebate cheque to an address other than that of the intended recipient without departmental approval, in line with the action of the Unemployment Insurance Commission, as opposed to preventing the making of cheques payable to anyone but the taxpayer?

• (2210)

I ask these questions because each of them involves action which the government could immediately undertake to curtail these usurious practices. Their elimination, I believe, could be accomplished by amending the Small Loans Act in the manner I have suggested in a bill now before the House. Bill C-57, standing in my name, would change the definition of a loan in the definition section of the bill to include the practice of discounting an amount of $1,500 or under. Thus, the interest on loans against the future receipt of the government cheque under the amount of $1,500 would be limited to 2 per cent a month, or 24 per cent a year, as opposed to the 1,000 per cent to 2,000 per cent per annum now customarily charged in such transactions.

Thus, my final question is: Is such legislation being contemplated by the government? The BNA Act, section 91, subsection 18, "Bills of exchange and promissory notes" and subsection 19, "Interest", clearly gives the federal government authority so to act, and I hope they will.

To recapitulate, my questions are as follows. First, what is the current status of the legal proceedings against discounters instituted by the government of Canada? Second, is an amendment to the Income Tax Act required to prevent such practices with respect to income tax rebates and, if so, when may we expect to receive such legislation? Third, if the Income Tax Act already permits charges to be laid against such loan sharks, when may we expect such action to be taken? Fourth, has the Department of National Revenue taken steps to prevent the mailing of a rebate cheque to an address other than that of the taxpayer concerned? Fifth, is the government considering an amendment to the Small Loans Act having the effect of bringing the practice of discounting on amounts under $1,500 under its provisions and, if so, when may we expect such legislation?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I thank the hon. member for Selkirk (Mr. Rowland) for raising this question and giving me the opportunity to indicate the concern, which the government shares, about the practices of discounting government cheques. I wish that the answers and the solutions to

the problem were as simple as those suggested by the hon. member.

There are, of course, a number of alternatives, one of which he suggested and which I have asked my officials and those in other departments to consider, because I do agree with him that it is a deplorable practice in many cases. But there is, of course, a possibility that people will innocently and in all good faith wish to enter into transactions with regard to government cheques as they do with other financial paper, and there is a question as to how restrictive we should be in preventing this practice. There are obviously some Canadians who wish to deal with government cheques in this way. Personally, I think they are unwise to do so.

In the case of income tax refunds, we are now aiming for the fastest possible processing of them, and in cases where income tax returns are properly completed there should be a refund in the hands of the taxpayer within approximately six weeks of the filing of the return where a refund is called for. Therefore, I might say to any taxpayer who has attempted to discount his refund that there is no reason to do so, the refund will be in his hands almost as quickly as if he were to deal with the discounter.

I have asked my officials to watch closely the returns which appear to be filed by discounters. It is questionable whether we should prevent refunds being sent to addresses other than those of the taxpayer, because there are many financial institutions in Canada in whose hands taxpayers have placed their financial affairs. There is some question about whether or not we should prevent their doing that.

Of course, one possibility is that provincial governments, including that of the province from which the hon. member comes, could deal with this matter on the basis of licensing and provincial law which, I might say, is somewhat clearer than the jurisdiction of the federal government in this respect. There was a prosecution by the Unemployment Insurance Commission, as the hon. member mentioned, which I believe was unsuccessful at the first stage and is under appeal. This illustrates the difficulty, under federal legislation, of proceeding against these practices.

I would urge the hon. member to exercise his influence on the provincial government of his own province to take action within its jurisdiction to curb such practices. In the meantime, my officials are exploring all possible avenues, including the one suggested by the hon. member, and if it appears that the federal government can properly restrain this kind of practice, I hope to propose a method of doing so or have one of my colleagues do so in the House at a later date.

It is matter of some complexity. We want to be sure that we do not unfairly restrict or restrain the ability of Canadians to deal with their own property, and particularly we want to avoid infringing upon the powers of the provinces in this respect. But I share the hon. member's concern. We will keep it under very close observation and we hope to achieve the same objective that he has in mind.

[Mr. Stanbury.]

CANADIAN CULTURE—MULTICULTURALISM—POLICY OF CANADIAN BROADCASTING CORPORATION

Mr. Jake Epp (Provencher): Mr. Speaker, I am rising to speak on the matter of the sale of radio station CKSB, St. Boniface, to the publicly-owned Canadian Broadcasting Corporation. It is not that I want to question or criticize the sale, but rather I want to take this opportunity to present to the Secretary of State responsible for multiculturalism, some of the viewpoints that multicultural groups have in respect to the use of the CBC and the broadcasting of multicultural programs.

CKSB was a privately-owned French station in Manitoba. In fact, it was owned by the parish of St. Boniface. In the last number of years, because of financial difficulties and other reasons the board of directors of CKSB sold air time to various multicultural groups for the broadcasting of programs which were specifically directed to multicultural groups in the Winnipeg and southern Manitoba area. Communities such as Polish, Ukrainian, German, Jewish, Portuguese and Italian used the radio station for these purposes, and the co-operation between the radio station and these various groups was exemplary.

There is a need for a second language radio station in Manitoba, a need which radio station CKSB was fulfilling. But because of the financial difficulties which the station was experiencing, the CBC stepped in and made a purchase offer to the board of directors and on March 29, 1973, the Canadian Radio-Television Commission approved the sale of the radio station. CKSB, now being a CBC-owned radio station, is to fulfill the following requirements:

> The commission will therefore expect the station, as will be specified in the conditions of the licence, to complement network service with a substantial amount of programming originating from and designed for the French-speaking residents of this area.

I endorse this policy because the people in my riding have among them proportionately the second highest number of French-speaking Manitobans, and radio station CKSB, broadcasting in the French language, serves a vital purpose for these people. On the other hand, Mr. Speaker, because of the policy of the CBC that it can only be used in the French or English language as far as broadcasting is concerned, these various multicultural groups which availed themselves of the services of CKSB now find themselves having to look elsewhere for broadcast privileges.

● (2220)

On February 22, 1973, as noted at page 1547 of *Hansard*, I asked the Minister of State in charge of multiculturalism (Mr. Haidasz) the following question, in part, with regard to the sale of CKSB:

> As there are no hearings scheduled for Winnipeg on this matter, can the minister indicate to the House what alternatives he is proposing which would preserve the established customary rights of multicultural groups in the Winnipeg area?

The minister replied:

> Mr. Speaker, this is a matter of government policy and if anything is to be done it will be announced in the usual way.

I am still waiting for that policy, Mr. Speaker. In a sense, the CRTC made policy on an interim basis, because on the announcement of the sale of CKSB to the CBC the commission stated:

The CBC has informed the commission that, in view of this long standing practice, broadcast time will continue to be made available on a similar basis to any of these groups desiring it for a period of 12 months in order to provide sufficient time for those groups which have not already done so to make other suitable arrangements for their programming in the Winnipeg area. The commission considers this to be a reasonable and equitable proposal.

I commend the commission for giving the government 12 months to set its house in order. But I am still waiting for the government to clearly state its policy on CBC in relation to its position on multicultural programming.

I have a recommendation to make which I hope the parliamentary secretary will convey to the Secretary of State. It is that the CBC should establish a policy whereby these various multicultural groups could use a certain number of broadcast hours for the purpose of multicultural broadcasting. I know that the Secretary of State has been approached by various multicultural groups with this request.

There are radio stations in southern Manitoba such as CFAM-CHSM, which has been exemplary in giving time to multicultural groups to broadcast in the language of the background of the people. We are asking that the people who came here and who are not Francophone or Anglophone, but who became Canadians and good citizens, have the right to some time on CBC in order to maintain their cultural heritage. This is not divisive but is simply a matter of maintaining a heritage. I suggest that in western Canada, at least, these are the groups that have given us a cultural mosaic and a special identity which should be preserved. I suggest that the government should seriously consider a policy whereby the CBC, within a relatively short time, should make time available for multicultural broadcasting.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, in replying to my hon. friend's question, I could easily refer him to the reply given by the Secretary of State, but I think to reply thus would be inadequate, and in view of the importance of this matter, I ought to add a few comments.

Although Section 38 of the Official Languages Act deals with the rights and privileges of other languages, I would point out to the hon. member that, in the case he is particularly concerned with, the multilingual broadcasting privileges that this population enjoys were not given to them by the government organization but by a private station. The broadcasting act is explicit on this point, and CBC policy follows it closely. The member is also aware that a lot remains to be done in the field of broadcasting in the two official languages of Canada: there are places where there is no service in French or English, or where these must be improved, which are assignments of major importance for the CBC, and will continue to take priority until all such projects have been realized.

The CBC Board of Directors is acutely aware of the growing need to fulfill the special needs of the different regions, and there is a close link between regional and ethnic programming. The CBC considers that at the present time, its national broadcasting service is not suitable for multilingualism and that the best solution to the problem of programs of an ethnic nature would be for the ethnic groups to continue to try to obtain broadcasting time on a local basis, from stations that do not belong to the network, so that the CBC can concentrate on its major obligations.

The hon. member stressed the CRTC's decision to extend these rights for a year, and I do not intend to comment on this. I can assure my hon. friend that I am convinced, from the way that he dealt with the problem, that he has made some very serious suggestions, and that I shall hasten to inform the minister tomorrow of all his remarks, and we will try to find an equitable solution to the really serious problems which he has brought up.

[*English*]

Motion agreed to and the House adjourned at 10:30 p.m.

HOUSE OF COMMONS

Tuesday, April 17, 1973

The House met at 2 p.m.

* * *

PRIVILEGE

MR. HALIBURTON—MANNER OF RELEASE OF REPORT ON OFFSHORE LOBSTER FISHERY

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, I rise on a question of privilege this afternoon in connection with a matter of extreme interest and concern to my riding of South Western Nova. The matter relates to the fishing of offshore lobsters.

In this House on April 5 I directed a question to the Prime Minister (Mr. Trudeau) about a certain study that was supposed to have been undertaken nearly two years ago. Subsequently, both in the House and in the Standing Committee on Fisheries and Forestry, I raised this issue. On April 4, in response to a question, I was told by one of the officials of the Department of Fisheries that the report should be available within a few weeks. May I stress he said it "should be ready within a few weeks' time".

Within a week, namely, on April 10, the report that I had been asking for for a month or five weeks was released to a newspaper reporter in Halifax and reported pretty fully in the Halifax *Chronicle-Herald* of April 11. The publication of the contents of that report and the stories that went out on the wire press have caused serious embarrassment to me since this was a matter occurring within my constituency in which, as I say, I had great interest. It caused me additional embarrassment since I had, after all, been requesting this report and the people there knew I had been requesting it. Indeed, it was in fact released on April 10 as a result of the pressure that had been brought to bear on the government through my questions. Further embarrassment attaches because of the fact that I was asked to comment on the report by various members of the media.

Therefore, Mr. Speaker, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That this matter and the nature of the procedure for releasing such statements be referred to the Standing Committee on Procedure and Organization.

Mr. Speaker: Before the motion could be put to the House for debate and disposition the Chair would have to rule that there was a prima facie case of privilege. Although the hon. member may have a grievance or complaint, I have serious doubts whether his point would amount to a question of privilege which ought to be referred to either the Standing Committee on Privileges and Elections or another committee of the House. I think the hon. member has made his point in his presentation to the House in relation to the grievance of which he has complained, but I doubt that the interests of the House would best be served by having a debate at this time.

Mr. Haliburton: Thank you, Mr. Speaker.

ROUTINE PROCEEDINGS

HOUSE OF COMMONS

EASTER ADJOURNMENT

Hon. Allan J. MacEachen (President of the Privy Council) moved:

That when the House adjourns on Wednesday, April 18, 1973, it shall stand adjourned until Monday, May 7, 1973, provided that at any time prior to that date, if it appears to the satisfaction of Mr. Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for all purposes of this order.

Motion agreed to.

* * *

NATIONAL DEFENCE

ANNOUNCEMENT OF EXTENSION OF NORAD AGREEMENT FOR FURTHER PERIOD OF TWO YEARS

Hon. James Richardson (Minister of National Defence): Mr. Speaker, as hon. members know, two major objectives of our defence policy are to protect Canadian sovereignty and, in co-operation with the United States, to make an effective contribution to the defence of North America. These objectives are achieved in part through Canada's participation with the United States in the North American Air Defence Command agreement which is known to all of us as NORAD.

The NORAD agreement was originally signed on May 12, 1958, for a period of ten years. On March 30, 1968, the agreement was renewed with some additional provisions for a further five years. As the end of the five-year renewal period is on the 12th of next month, the Canadian and American governments have been giving consideration to the renewal of the agreement.

The United States government has been actively engaged in the development of modernized air defence systems. Canada has been kept fully informed of the

progress being made and has actively co-operated in some aspects of the work being done.

Although development of the new systems is now at an advanced stage, it has not reached the point at which the two governments are able to decide upon the extent to which the systems for the air defence of North America should, at this time, be changed and improved.

As further time is required before decisions can be reached by either country, it has been determined that the best course of action to meet the requirements of both governments is to extend the present NORAD agreement for a further period. It has, therefore, been agreed between Canada and the United States that the NORAD agreement will be extended in its present form for a further period of two years commencing May 12, 1973, and that an appropriate exchange of diplomatic notes will shortly be exchanged for this purpose.

Hon. members already know that the Standing Committee on External Affairs and National Defence has made a special study of the NORAD agreement and has tabled a report in the House on this subject. I am particularly pleased to be able to point out that the government's decision to renew the NORAD agreement is consistent with the recommendations contained in the report tabled by this committee.

As I have described in some detail the policy of the Canadian government on NORAD before the Standing Committee on External Affairs and National Defence, and as the reasons for the government's decision to renew the agreement for two years are already in the public record as a result of evidence given before this committee, I do not believe it is necessary to elaborate further at this time.

In this statement I do, however, wish to emphasize that the government's decision to renew the NORAD agreement for two years will assist Canada in a meaningful way to achieve the central objectives of our defence policy.

● (1410)

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, first of all, may I express our appreciation to the minister for having made his statement available to us a good hour before the House met this afternoon. I also want to welcome the statement and to indicate to the minister that it is at least the minimum position acceptable to us in respect of sharing of responsibility for North American defence.

The importance of maintenance by Canadians of the sovereignty of our northern air space requires this minimum position. Our role should continue to be that of surveillance, detection and identification. Whatever the outcome of the present testing by the United States of such technological advancements as over the horizon, back scatter radar, AWACS and the improved manned interceptor programming, Canada will have to go it alone or go via this route. In other words, one way or another we must ensure that the means of maintenance of our own sovereignty are within our own control. We feel strongly that such planning can only be done, and we hope it will be done during this two-year period, not in the context of the NORAD agreement alone but also in light of our over-all bilateral defence arrangements with the United States. We hope the contingency plans in respect of what Canada does at the end of the present two-year agreement will take that into consideration.

[Mr. Richardson.]

It is my hope that the standing committee will exercise its investigative prerogatives and call before it witnesses and all the agreements, protocols, notes and memoranda that exist—I imagine there are some three or four dozen—for the purpose of coming up with an integrated role for Canada in the defence of the North American continent which will achieve the purpose of serving our own national interests as well as the interests of our collective responsibilities. We recognize that our responsibility is not only to ourselves but also to our neighbours. We welcome this announcement and express the hope that the long-term implications of NORAD and continental defence concepts can be taken under very active consideration not only by the minister's department but by the standing committee in the months that lie ahead.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, we in this party did not accept the recommendation of the majority of members of the Standing Committee on External Affairs and National Defence, and we do not accept the statement of the minister as satisfactory. In our view Canada should take advantage of the termination of the NORAD agreement and let NORAD die a natural death.

Some hon. Members: Hear, hear!

Mr. Brewin: Our reasons are simple. NORAD was founded in 1958 and renewed in 1968 to meet an apprehended threat of an attack on North America by manned bombers from the U.S.S.R. Defence against the bomber was and continues to be the most important of NORAD's objectives according to General Lane, Deputy Commander of NORAD, who gave evidence before the committee as recently as March 2 last.

It is our conviction that the threat of attack by manned bombers is non-existent, again for simple reasons. In the missile age when both superpowers possess the ability to destroy the society of the other, even after an all-out attack by the one, in a response to the original attack, or second strike, there is no possibility of an attack by manned bombers, because to send over bombers to attack would be madness and, indeed, suicide as it would invite the destruction of the country that made such an attack. The minister recognized this in the statement he made to the committee the other day. Let me quote just one sentence from that statement:

> The deterrence of an actual attack depends not on air defence capability, but in assured retaliatory capacity.

We agree entirely with that statement.

The contribution that Canada can make should be through detection and identification which may require surveillance and interception. This is an entirely different concept from that of NORAD. Canada should control and survey its own air space. It should co-operate with the United States and give information to the United States. But it is not necessary for this purpose for Canada to be locked into NORAD.

It was suggested by the minister before the committee that the committee report, and, indeed, the committee accepted the suggestion, that if Canada withdrew from

NORAD this could seriously harm Canada-United States relations needlessly and antagonize the United States administration. This is dangerous timidity and a denial of Canadian sovereignty as well as being insulting to the United States. Of course if we withdrew from NORAD on the basis that we wanted no truck or trade with the Yankees this would cause difficulty, but if we demonstrate, as we can, that a new framework is needed for Canada-United States co-operation in air defence of North America and that NORAD is outdated, there is no need to assume there would be resentment by the United States.

Lastly, we take issue with the way the decision was made. In fact, the decision has been announced in a casual way by the minister. He did not even see fit to give the reasons for it but merely referred to his evidence before the committee. This is a serious matter. This engagement in a treaty with our neighbour involves in monetary terms alone hundreds of millions of dollars. Yet at this time we have this announcement in a casual way respecting the agreement which is to be perpetuated by an exchange of notes. It is true it is only for a two-year period. In our view, details in respect of international and defence relations are for the executive, but when substantial and durable commitments are made this should be propounded in parliament. If this has not always been so in the past it should be so in the future. The government should submit the renewal of the NORAD treaty by resolution for debate and ratification by this parliament.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like first to thank the Minister of National Defence (Mr. Richardson) for sending us copies of his statement in the two official languages an hour before the House convened. I think all ministers who have statements to make when the House resumes its sitting should take such an initiative.

Mr. Speaker, the minister just announced what everybody was expecting, that is the two-year renewal of the Canada-U.S. agreement on NORAD.

I was somewhat surprised by the position taken by the members of the NDP as expressed by their spokesman who would have liked to see an end to this agreement with the United States. Up to now the danger of an attack would have apparently come from the U.S.S.R. and it is in that direction that Canadian control and defence measures were oriented.

I might compare this means of surveillance and defence with the measures taken by someone who had a beautiful house containing valuable jewels, paintings and ornaments, and protected by three watchdogs to keep off burglars. As long as the watchdogs were there, the enemy would not be tempted to break in, but the moment they were gone, you could expect to be robbed.

This is somewhat like the attitude that must be taken to NORAD. There are powers that might like to come and cause trouble in our country. But as long as we have a lookout system, they are reluctant to put their schemes into action.

So far, we have two main blocks: the American block, on the free block, and the Soviet block. But there is now a third block in the making, that of Communist China, which is becoming a major military power, which will soon be as strong as, if not stronger than, the other two. We have just heard that China's military budget has doubled in only seven years and that over 10 per cent of this budget goes towards the purchase and development of military materiel. That is worth thinking about. I should like to repeat something that was said by Mr. Camilien Houde, the former mayor of Montreal, that armaments were not made to be put on Christmas trees.

The committee was also informed that Russia is now building up a fleet of 180 heavy missile-bearing bombers capable of flying anywhere in North America and returning to base without refuelling.

I therefore think it is important to have a highly developed warning system and we know that the United States are at present developing an even better system than the one we have now.

Given those facts, Canada would be wise to renew this agreement for a two-year period, which would give us sufficient time to get acquainted with improvements which the United States intend to make to their warning, control and defence system and to review our financial participation of $150 million to that system, which is about 12 per cent of the total budget of NORAD. I think that it is not excessive and it would be much more costly if Canada alone assured its defence.

Therefore, the members of the Social Credit party approve the renewal of this agreement for two years. By that time, we will be in a position to see what our southern allies could provide for the protection of Canada, so that we may avoid the fate of France which during two world wars was used as a battlefield for Europe. Indeed, Canada should not be used as a stepping-stone by any country which would decide to attack the United States.

* * *

● (1420)

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION

PRERETIREMENT LEAVE PENSIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I rise under Standing Order 43 to request the unanimous consent of the House to move a motion, seconded by the hon. member for Cape Breton-East Richmond (Mr. MacInnis), concerning a matter of urgent and pressing necessity with regard to the Cape Breton Development Corporation's preretirement leave plan.

In view of the fact that the then minister of regional economic expansion, the present Minister of Transport, stated on December 9, 1968, in reply to a question posed by the hon. member for Cape Breton-East Richmond, as found on page 3700 of *Hansard*:

> ... I think that we can do like the hon. member for Cape Breton-East Richmond and say that the pension is not high enough. There is a lot to be said for that.
>
> I also find that $3,000 a year is no fortune, as I said earlier. But the amount can be discussed.

Mr. Speaker: Order, please. I am not sure whether that is part of the motion. As the hon. member knows, he

should not submit argument in support of the motion which he is proposing for the consideration of the House. I am sure the hon. member appreciates that.

Mr. Muir: I am sorry, Mr. Speaker. I just laid that foundation for the benefit of the newer members who were not here in 1968.

In view of the fact that the preretirement leave plan still provides the same amount as in 1968, and in view of the tremendous escalation in the cost of living that has placed such a burden on persons such as those under the preretirement leave plan, many of whom were forced into retirement, I would urge the government to take immediate steps to have the Cape Breton Development Corporation initiate a re-examination of the amounts available for both married and single recipients under the preretirement leave plan—

Mr. Speaker: Order, please. I am wondering whether that is the motion, that the hon. member is urging the government to do something. To me that appears to be argument. Perhaps I did not hear the hon. member correctly. Perhaps that is the motion he is inviting the Chair to put before the House, but it does not appear to be in the form of a motion. I apologize again to the hon. member for having to interrupt him.

Mr. Muir: As I said before, Mr. Speaker, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. MacInnis), that this take place, that the government initiate a re-examination of the amounts available for both married and single recipients under the preretirement leave plan so that an amount can be made available that would provide to those in receipt of this allowance an amount not less than an amount equal to the purchasing power that was available when the plan was first initiated and, further, that an escalation clause be attached to the allowance to cover the actual increase in the cost of living on an annual basis.

Mr. Speaker: The House has heard the motion proposed by the hon. member under the terms of Standing Order 43. This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

TRADE

CANADA-UNITED STATES AUTO PACT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43. The matter of urgent and pressing necessity on which I rise is related to the story that emanated from Washington today to the effect that the government of Canada, in the present negotiations on the auto pact, has proposed the phasing out of the safeguards in that agreement. Therefore I move, seconded by the hon. member for Waterloo-Cambridge (Mr. Saltsman):

That this House instructs the Minister of Industry, Trade and Commerce to negotiate for an improvement in the production safeguards in the Canada-U.S. automotive agreement in order to establish the principle that Canadians shall have, by agreement, the right to produce in dollar value that level in North American automotive products which we actually consume.

Mr. Speaker: This motion is also proposed to the House under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

REGIONAL ECONOMIC EXPANSION

ATLANTIC CANADA—CIRCULATION OF QUESTIONNAIRE BY PRIVATE CONSULTANT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a motion of urgent and pressing necessity pursuant to Standing Order 43. In view of an extensive questionnaire being widely circulated in Atlantic Canada by Nicolas Matossian & Associates, based in Brome County, Quebec, requesting information on service industries in Atlantic Canada by the end of April, I move, seconded by the hon. member for York-Sunbury (Mr. Howie).

That this matter be referred to the Standing Committee on Regional Development and that the committee be instructed to inquire into all matters surrounding the appointment of the consultant, the costs involved, and the reason the inquiry is not being conducted by departmental personnel or the Atlantic Development Council.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

BANK OF CANADA

AMENDMENT OF ACT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to Standing Order 43, I wish to move a motion on a matter of urgent and pressing necessity.

Considering that section 18 of the act authorizes the Bank of Canada to grant loans or advances to the provincial governments for periods not exceeding six months and that this period of six months is much too short to enable

the provinces to take full advantage of those loans or advances, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That this House ask the government to amend the Bank of Canada Act in order to authorize the Bank to grant loans for periods not exceeding 20 years.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

FLOODS

HIGH WATER LEVELS ON GREAT LAKES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I ask unanimous consent of the House under Standing Order 43 to move a motion arising from the long-range forecast which indicates the possibility of renewed damage to property along the Great Lakes in the coming weeks, and also arising from the fact that parliament will be adjourning tomorrow. I should like to move, seconded by the hon. member for Greenwood (Mr. Brewin):

● (1430)

That this House instructs the Minister of the Environment to make a statement on motions tomorrow indicating whether arrangements or agreements with the Ontario government have been satisfactorily concluded and are now in effect with respect to compensation for property damage, and the sharing of costs arising from the use of Canadian forces personnel, and if not, by what date such arrangements will become effective; and further, whether the federal government is considering sharing short term capital costs for preventive works.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

PUBLIC SERVICE STAFF RELATIONS ACT

AMENDMENT OF CONSTITUTION OF BOARD TO PROVIDE FOR NOT MORE THAN THREE DEPUTY CHAIRMEN

On the order: Introduction of Bills.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am rising to ask leave of the House for consent to give first reading to a bill which appears on the notice paper today having to do with the Public Service Staff Relations Act. If we could give this bill first reading by consent we might be able to give it passage through all stages later today so that it could be dealt with by the Senate before the Royal Assent tomorrow.

Mr. Baldwin: We are agreeable to that, Mr. Speaker. On all those rare occasions when the government brings in good legislation we always facilitate it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this is an acceptable bill and we would be glad to facilitate its passage through all stages today.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, the House leader of our party also advised us that he was in favour of this bill.

[*English*]

Mr. MacEachen moved for leave to introduce Bill C-178, to amend the Public Service Staff Relations Act.

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

Mr. Speaker: When shall the said bill be read a second time? Later this day?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

MOTION FOR CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE ON TRENDS IN FOOD PRICES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order and I do so at this point because we are dealing with the business of the House for the rest of the day. I think Your Honour will find that as a result of discussions there would be unanimous agreement with respect to government order No. 31, the order having to do with the report of the Special Committee on Trends in Food Prices, namely, that this order might be resumed for debate at eight o'clock tonight with a House order that the debate conclude and any votes necessary be taken at ten o'clock. There are certain understandings, the details of which do not need to be spelled out, about the possibility of an amendment, about who will speak and so on, but I think there is general agreement for this item to be called at eight o'clock tonight and for any necessary votes to be taken at ten o'clock.

Mr. Speaker: Is it agreed and so ordered?

Some hon. Members: Agreed.

Oral Questions

ORAL QUESTION PERIOD

TRADE

CANADA-UNITED STATES AUTO PACT—INDICATION OF U.S. ATTEMPT TO ABROGATE—CANADIAN PROPOSALS FOR MODIFICATION—PRESERVATION OF SAFEGUARDS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce arising out of one of our concerns about the future of employment in the country. We were pleased to see the improved figures for March.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, the concern arises from the revelation that there may very well be an effort on the part of the United States Senate to abrogate the auto pact between our two countries. I should like to ask the minister whether he has presented to the United States government or any of its officials a proposal to modify the auto pact?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, a couple of weeks ago I had discussions with Secretary Shultz about a number of outstanding matters of mutual interest to our two countries, bilateral matters and multilateral matters. In the course of these talks we also had an exploratory exchange with respect to improvements that might be made in the auto pact.

Mr. Stanfield: In view of the assurances the minister has given both inside and outside the House that changes in the pact with regard to the safeguards would be made only if they were improvements, can the minister give the assurance to the House that any proposals he has made do in fact constitute improvements in the protection afforded to the automotive industry in Canada?

Mr. Gillespie: Mr. Speaker, on earlier occasions I have given assurances to the House that if there are changes which can be mutually agreed upon they will only be agreed upon from our point of view if they provide some kind of built-in mechanism so that we can have our fair share of the production of North American vehicles consistent with article 1 of the auto pact.

CANADA-UNITED STATES AUTO PACT—REQUEST FOR REFERENCE TO COMMITTEE

Hon. Robert L. Stanfield (Leader of the Opposition): In view of the vagueness of the minister's assurances and in view of the ominous situation that seems to exist in the United States Senate, would the minister and the government agree to the automotive agreement being referred to a committee of the House to, among other things, review the positions of the two countries in the negotiations and to assess the operation or effectiveness of the agreement as well as the desirability of retaining and improving the present safeguards in the agreement? Will the minister agree to a reference to a committee for this purpose and others?

[Mr. Speaker.]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not feel that at this particular moment a reference to a committee would be in the best interests of the House or the Canadian people.

An hon. Member: Why?

Mr. Gillespie: For one very good reason. As I have indicated before, in talks of this kind I think we are more likely to be able to make useful progress if the negotiations or discussions do not take place in public.

Mr. Baldwin: You have not been doing too well so far.

Mr. Terry O'Connor (Halton): I have a supplementary question, Mr. Speaker. In view of the tremendous importance and the significant value to this country of the auto pact, would the minister consider or agree to the referral mentioned by the Leader of the Opposition provided that consideration were in camera before the Standing Committee on Finance, Trade and Economic Affairs?

Mr. Gillespie: Mr. Speaker, I would expect that there would be other opportunities to discuss the operation of the auto pact when my main estimates are called again. I believe that I will be meeting with the committee early in May and of course it will be the committee's decision whether they want to raise this matter with me at that time.

CANADA-UNITED STATES AUTO PACT—CANADIAN PROPOSALS

Mr. Edward Broadbent (Oshawa-Whitby): I have a supplementary question, Mr. Speaker. Putting aside the question of general benefit to Canada that the government may or may not be trying to obtain in negotiations, I should like to ask the minister specifically whether the government of Canada has proposed the removal of the 15 per cent duty requirement that consumers must pay if they bring a car in from the United States? If it has made that specific proposal, has it attached to that the requirement that the production level safeguards in the pact must be maintained?

• (1440)

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am, perhaps, repeating myself when I say that these were exploratory talks.

Mr. Broadbent: Answer the question.

Mr. Gillespie: It would be overstating it to say that that proposal had been made, but I can assure the hon. member that if there are any changes agreed to, as I have already indicated on past occasions, they will only be agreed to if there is a mechanism to protect existing and future Canadian jobs based on article 1 of the agreement itself.

CANADA-UNITED STATES AUTO PACT—REPRESENTATIONS TO AMERICAN SENATORS THROUGH CANADIAN EMBASSY

Mr. Edward Broadbent (Oshawa-Whitby): I have a supplementary question, Mr. Speaker. In view of the fact

that in the American constitution there is a radical separation of powers between the presidential wing and the congressional wing, and the threat at present seems to come, according to news reports, from the U.S. Senate, can the minister inform the House whether or not the Canadian Embassy in Washington has been instructed to keep in close liaison with the key American senators on the important finance committee to make sure that they know the Canadian position?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, as I have also indicated on other occasions, there are various channels by which Canadian views are made known to key figures in Washington, and undoubtedly Canadian views have been made known to legislators by Canadian officials. I cannot, nor am I going to, indicate whether Canadian officials at the embassy specifically have made these views known, but I can say that Canadian officials have made our views known to a variety of important figures on the Hill.

[*Translation*]

Mr. Speaker: Does the hon. member for Richmond wish to put a supplementary question?

Mr. Beaudoin: No, Mr. Speaker.

Mr. Speaker: I shall recognize the hon. member shortly.

[*English*]

USE OF UNITED STATES DISC PROGRAM BY CANADIAN CAR MANUFACTURERS

Mr. A. D. Hales (Wellington): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade and Commerce. Can he inform the House if Canadian car manufacturers are taking advantage of the United States DISC program and, in view of the fact that they have the privilege of free trade, has the government, through the minister, lodged an objection?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Speaking to the last question first, we have on earlier occasions made our views known on DISC. My predecessor, I think, very clearly stated our opposition to this particular proposal. As to the first part of the question, if the automobile companies themselves have taken advantage of DISC, it is my information that they have applied and been granted DISC status. Whether they have in fact taken advantage in any unfair way is not a question that I can answer at this time.

* * *

EXTERNAL AFFAIRS

MILITARY ACTIVITIES IN CAMBODIA AND LAOS—REPRESENTATIONS TO UNITED STATES AND OTHER PARTIES—CONTINUANCE OF CANADIAN PARTICIPATION ON CONTROL COMMISSION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In view of the resumption of bombing raids by the United States Air Force in Laos, and in light of the clear provision in article 20 of the cease-fire agreement to which the United States is a party that foreign countries shall put an end to all military activities in Cambodia and Laos and totally withdraw from and refrain from reintroducing into these two countries troops, materiel, etc. what representations has the Canadian government made or will it make to the parties in question and the United States in particular in respect of this continuance of hostilities?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in so far as Canada is a member of the International Control Commission, that particular article quoted by the hon. member does not fall within its competence. In general, I think it is pretty well known that there have been many violations of the peace agreement not only by the United States but by others.

Mr. Brewin: In light, however, of these breaches of the peace agreement referred to and the danger to the fragile peace in southeast Asia, will the government reconsider its position in regard to the continuation of Canada as a member of the International Commission of Control and Supervision and convey to the government of the United States and others that if this situation continues we will have to withdraw?

Mr. Sharp: Mr. Speaker, it is not necessary for us to reconsider. The whole matter is under continuous consideration. This is one of the factors that will have to be taken into account when we make our decision whether or not we will continue.

Mr. J. M. Forrestall (Dartmouth-Halifax East): I have a supplementary question, Mr. Speaker. Has the minister had an opportunity to give consideration to the possibility of consultation with our colleagues on the commission with respect to the reconvening of the parties in Paris?

Mr. Sharp: Mr. Speaker, we have been awaiting a report from the International Control Commission on the helicopter tragedy and until we receive that report we think it would be inadvisable to go any further.

[*Translation*]

SUGGESTION THAT CANADA ASK UNITED NATIONS TO IMPOSE SANCTIONS AGAINST BURUNDI

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs.

Can the minister say whether he intends to suggest to the United Nations that trade sanctions or other reprisals be taken against the military government of Burundi which is made up of members of a minority tribe and which have executed in the most cruel fashion from 100,000 to 200,000 members of the Hutu majority tribe?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, it is not our intention to raise this question in the United Nations in the form suggested by the hon. member.

[*Translation*]

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

In these circumstances, does the minister not think that the Canadian policy regarding South Africa, which has been much more democratic, could also be applied toward this military government which has been extremely cruel to the majority of its citizens?

Mr. Speaker: The hon. member is supporting his question with an argument.

* * *

[*English*]

CANADIAN CULTURE

ADVERTISEMENT RESPECTING POLICY ON MULTICULTURALISM

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of State responsible for multiculturalism. I have before me an advertisement of several pages that appeared generally in ethnic papers concerning the policy on multiculturalism, which has all the appearance—

Some hon. Members: Question!

Mr. Diefenbaker: —of patently naked partisanship for which the Canadian people are paying a quarter of a million dollars. I ask him, in the preparation of this advertisement was it an intentional omission in not letting the people know to whom the advertisement is directed that of the $90 million being spent this year outside Quebec, according to the figures I secured this morning, for biculturalism, the total amount that these ethnic peoples will secure will be approximately 3.4 per cent of that sum? Was it just a lapse on his part that that information was not passed on?

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, I should like to reassure the right hon. gentleman that that was not the purpose of this information bulletin.

Mr. Diefenbaker: No, the purpose was to get votes. Was the purpose intended to be a partisan one, to get votes by false pretences in not giving the figures?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Haidasz: Mr. Speaker, I should like to reassure the right hon. gentleman again that, in response to a very wide demand from the spokesmen of the ethno-cultural groups of Canada for information about the multicultural policy and its programs, I thought it was necessary to inform them as soon as possible in the most comprehensive way, and non-partisan as well.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

[Mr. Sharp.]

Mr. Diefenbaker: The devil can always quote scripture. I ask this simple question: Was it inadvertance or something else that caused him, in the preparation of the advertisement, to forget to tell the ethnic peoples that they are getting about 3½ per cent of the total expenditures?

• (1450)

Mr. Haidasz: Mr. Speaker, it was always my good intention to inform the readers of this information bulletin of the facts of the multicultural policy and its programs.

* * *

UNEMPLOYMENT INSURANCE

BENEFIT CONTROL—NATURE OF REPORT OF ADVISORY COMMITTEE—STATUS OF BILL C-125

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the minister responsible for the Unemployment Insurance Commission. I have it on authority that the minister now has a report from the advisory committee containing the results of its inquiries in connection with the investigative blitz and other related matters. Can the minister advise us whether the report confirms the allegations that benefit control officers were overzealous or used questionable methods during their investigations?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I did receive that report yesterday afternoon. It is not a complete report. There will be more information forthcoming from the advisory committee. In response to the second part of the question, the answer is that it did not confirm that the benefit control officers had been overzealous.

Mr. Alexander: In light of the importance of this document, can the minister assure the House that he will table the report in its entirety—he will notice that I say "in its entirety"—on Wednesday before we adjourn for the Easter holidays so that not only the hon. gentleman and his officials but members of the House and all the people of Canada may know what it contains?

Mr. Andras: As I indicated to the hon. member privately yesterday, that is my intention.

Mr. Alexander: In light of the fact that the report probably went into certain areas set up by way of criteria or terms of reference—

Mr. Turner (Ottawa-Carleton): Why not table your copy?

Mr. Alexander: I am talking to the Minister of Manpower, now; I will get to you later—can the minister advise whether in fact the terms of reference have now been sufficiently completed that, after study, he can bring in a revamped or amended bill C-125, or does he have to wait for a further report before he can get down to business on this very important subject?

Mr. Andras: The report I shall be tabling tomorrow relates to benefit control operations and is not related to the second portion of the hon. member's question.

Mr. Speaker: The hon. member for Joliette.

Mr. Alexander: On a point of order—

Mr. Speaker: Order, please. The hon. member has already asked three questions. We have to proceed. I will recognize the hon. member for Hamilton West for a third supplementary and then the hon. member for Joliette.

Mr. Alexander: On a point of order, Mr. Speaker, the Prime Minister said "That's enough." I respectfully say to the Prime Minister that he does not sit in the chair. His position over there is only temporary.

An hon. Member: He said he was there for keeps.

Mr. Alexander: You know, it's amazing how one percentage point can bring back that same old arrogance.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Alexander: Mr. Speaker, I am just trying to get information for the benefit of hon. members. If you have patience you will see it is very revealing. I am trying to ask the minister whether he now has sufficient information by way of the report from the advisory committee to enable him to proceed with the long-awaited Bill C-125 or an amended version thereof, or does he have to pussyfoot continually—

Mr. Speaker: Order, please.

Mr. Alexander: —and acquire another report in order to stall this important bill?

Mr. Speaker: Order, please.

* * *

[*Translation*]

SPORTS

1976 MONTREAL OLYMPIC GAMES—ISSUANCE OF COMMEMORATIVE STAMP

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the hon. Postmaster General.

Since it is so important for the Montreal Olympic Games Committee to be able to arrange for the sale of a 1976 commemorative stamp which would provide an income which would enable them to implement part of the project, may I ask whether the Postmaster General can tell us when the stamp will be available?

Hon. André Ouellet (Postmaster General): Mr. Speaker, I understand a bill on the Montreal Olympic Games is now being prepared and I can assure the hon. member that as soon as parliament has approved the legislation the Canadian Post Office will be prepared to give a positive reply to the committee's request.

EXTERNAL AFFAIRS

VIET NAM—RENEWAL OF HOSTILITIES—MEASURES TO RECONVENE PARIS CONFERENCE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the hon. Secretary of State for External Affairs.

Mr. Speaker: Order, please. Hon. members seem to have a somewhat early attack of Easter fever. I would invite them to allow the hon. member for Saint-Hyacinthe to ask his question.

Mr. Wagner: Thank you, Mr. Speaker. I wish to address my question to the hon. Secretary of State for External Affairs.

Further to the other questions which have been asked this afternoon, and which reflect the concern of hon. members over the resumption of hostilities in Indochina, could the Secretary of State for External Affairs indicate what steps Canada has taken to reconvene the Paris conference?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as I answered earlier in reply to a previous question, we felt it would be advisable to get a report on the helicopter tragedy from the International Control Commission before we proceeded to consider whether we should try to invoke a reconvening of the Paris conference. At the present time we do not think an undertaking of that sort would be successful. We would prefer to sound out the grounds in advance.

[*Translation*]

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

Since the bombardments in Laos and Cambodia have nothing to do with the helicopter incident, is the minister considering the possibility of reconvening a conference in Paris so that peace in Indochina could be achieved once and for all?

[*English*]

Mr. Sharp: Mr. Speaker, it seems to me that as a member of the International Control Commission we would have a responsibility to call the conference into session in regard to matters related to the operations of the commission itself. The breaches of the agreement which have been made by the bombing and by the intrusions of North Vietnamese troops and so on are of a more general character. Our membership in the conference derives from our position as members of the commission. Otherwise we would never have been there. So it seems to me we should take initiatives when the subject relates to the commission itself and not to these more general breaches which it would be more appropriate for the great powers to raise.

Right Hon. J. G. Diefenbaker (Prince Albert): I do not know whether I heard the minister clearly. Did he indicate that by the bombing on the part of the United States and because of the bombing there has been a breach? Is that what he meant when he referred to bombing a moment ago?

Mr. Sharp: Yes, Mr. Speaker. If I may read the section of the peace agreement, hon. members will find it is very explicit:

Foreign countries should put an end to all military activities in Cambodia and Laos—

Some hon. Members: Hear, hear!

Mr. Sharp: I continue:

—totally withdraw from and refrain from reintroducing into these two countries troops, military advisers and military personnel, armaments, munitions and war material.

Mr. Diefenbaker: That being so, and the minister having won applause from these people over here who have always condemned South Viet Nam and the United States, I ask him—

Mr. Speaker: Order, please. Is the hon. member for York South rising on a point of order?

Mr. Lewis: I certainly am, Mr. Speaker. Oh, keep quiet over there!

There is no one in this House who respects the right hon. gentleman from Prince Albert more than I do. But I respectfully submit to him that he has no right to use his position and the affection that hon. members of this House have for him to make speeches about various things constantly during the question period.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lewis: I want to tell the right hon. gentleman that we have condemned the communist activities as well as the South Vietnamese.

Some hon. Members: When?

● (1500)

Some hon. Members: Oh, oh!

Mr. Lewis: Mr. Speaker—

Mr. Speaker: Order, please. We should try to proceed in a more orderly fashion. The hon. member has the floor on a point of order and he should indicate as quickly as possible what his point of order is so we may return to the question period.

Mr. Lewis: I suggest to you, Mr. Speaker, that it is a perfectly legitimate point of order which I have been on the verge of making for weeks. If you, Sir, cannot, for reasons that I can understand, make certain that every member of this House used the question period for the purpose for which it is meant, then it is my duty to rise on a point of order when the question period is abused in the way in which the right hon. gentleman has abused it.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, the statement that I made concerning the NDP was true in substance and in fact. They have done nothing but condemn the United States and South Viet Nam over and over again in this House.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I see the hon. member for York South rising again, I assume on another point of order. I would hope that we would set aside the argument that has arisen between the hon. member for York South and the right hon. gentleman. Since we are running short of time for the question period, I would think it would be helpful if we returned to questions. There are a number of members seeking the floor to ask questions, but I have to recognize the hon. member for York South if he is seeking the floor on a point of order.

Mr. Lewis: This is precisely the point, Mr. Speaker. If this were a debate, then we would have the chance to show the right hon. gentleman that his statements are untrue and improper. He gets to his feet during the question period and makes statements in the knowledge that no one can answer him in debate, and I do not intend to stand for that.

Mr. Diefenbaker: Mr. Speaker—

Mr. Lewis: You might inform the right hon. gentleman that I still have the floor, Mr. Speaker.

Mr. Paproski: Stand up then so we can see you.

Mr. Lewis: I know I am not as conspicuous as the hon. member who said that. I merely want to say that if Your Honour wishes to go to questions, we will agree. But if the right hon. gentleman continues with his improper and inaccurate statements, there will be more points of order, Mr. Speaker.

Mr. Diefenbaker: Mr. Speaker, I immediately say to you that I am sorry; I thought the hon. member had sat down but he was waiting for applause. In so far as accepting advice from him is concerned, I do not intend to join the ranks of the government, which apparently allows him to dominate them.

Mr. Speaker: I am not sure how the point of order has been settled but the Chair will recognize the hon. member for Nickel Belt.

* * *

MANPOWER

INTERNATIONAL NICKEL COMPANY—PROJECTED PRODUCTION AND EMPLOYMENT LEVELS—PROVISION OF INFORMATION TO DEPARTMENT

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Has the minister obtained from International Nickel Company projected employment and production levels at this company over the next few years? If not, is it the minister's intention to ask INCO to provide his manpower consultative services with such information?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the International Nickel Company has advised officials of my department that production cutbacks are not anticipated at this time in the Sudbury area. Consequently, no lay-offs are expected. I am assured by company officials that press reports regarding expected lay-offs and cutbacks are entirely without foundation.

Mr. Rodriguez: On a point of order, Mr. Speaker, I did not ask the minister about lay-offs but about work force levels.

Mr. Speaker: Order. I hope we do not get involved in another point of order. The hon. member might like to ask a supplementary and he will be recognized for that purpose, following which I will recognize the hon. member for Richmond.

Mr. Rodriguez: In view of the fact that I did not ask the minister about lay-offs but about projected employment and production levels, would the minister please answer the question?

Mr. Andras: Mr. Speaker, I will take the hon. member's representation under advisement and reply later.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

INQUIRY RESPECTING APPLICATION OF SECTION 106 OF ACT

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask a question to the Minister of Manpower and Immigration.

Since section 106 of the act is difficult to enforce in many offices of the Unemployment Insurance Commission, could the hon. minister indicate whether he intends to brief commission employees on the provisions of section 106 of the act so that they may co-operate with the department to improve the situation of many unemployed?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will take that question as notice.

[*Translation*]

Mr. Speaker: The hon. member for Rimouski wants to ask a supplementary question.

Mr. Eudore Allard (Rimouski): Mr. Speaker, can the minister say according to which decision the Unemployment Insurance Commission officers attach more importance to the high pressure enquirers who try by every means to catch applicants napping instead of helping them reintegrate the labour market?

[*English*]

BENEFIT CONTROL—REQUEST FOR ASSURANCE NO DISENTITLEMENT WITHOUT PERSONAL INTERVIEW

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I have a supplementary question with regard to the investigation just mentioned by hon. members opposite. Can the minister now assure the House in regard to the unemployment insurance investigations that nobody who is receiving unemployment insurance is disqualified unless he has had a personal interview with one of the officials at a UIC office?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, an unemployment insurance benefit recipient can be disentitled to unemployment insurance if he is not fulfilling his obligations under the act. The benefit control operation, as I indicated in a statement several weeks ago, when it goes into operation involves a personal interview, but there can be disentitlement arising from other reasons.

* * *

WELFARE

POSSIBLE USE OF PUBLIC RELATIONS FIRMS TO PUBLICIZE WHITE PAPER ON POLICY RATHER THAN GOVERNMENT AGENCY

Mr. J. M. Forrestall (Darmouth-Halifax East): Mr. Speaker, may I address a question to the Minister of National Health and Welfare having to do with whether or not the minister or his office in a very direct way have engaged a number of public relations firms across the country for the purpose of publicizing his release tomorrow of the white paper on welfare policy. If this is so, why did the minister's office not use the existing instruments within the government service for this purpose?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the department's information officers, when they do work in the regions of each province, have undertaken to organize an information session for regional newspapers. They are assisted by experts in that field to ensure that newspapers and information media can obtain the required information.

[*English*]

Mr. Forrestall: So that I may properly understand the minister, is he telling the House that he has not engaged outside public relations firms for the purpose of carrying out what should normally be a departmental activity?

[*Translation*]

Mr. Lalonde: No, Mr. Speaker. My answer clearly indicated what the situation was.

[*English*]

Mr. Speaker: Is the hon. member rising on a supplementary?

Mr. Forrestall: Yes, Mr. Speaker.

Mr. Speaker: Before recognizing the hon. member for Scarborough East, the Chair will recognize the hon. member for Dartmouth-Halifax East on a supplementary.

Mr. Forrestall: May I ask the minister whether he considers this to be an ethical method? Why is he, like his colleagues, seeking partisan support for programs that

have not yet been discussed with the provinces, as he has undertaken to do?

* * *

● (1510)

ADMINISTRATION OF JUSTICE

SUGGESTED NEED FOR CHANGE IN TEMPORARY ABSENCE AND PAROLE SYSTEM—GOVERNMENT POSITION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I direct my question to the Solicitor General. In light of an incident that happened yesterday in the province of Quebec in which a prisoner from Cowansville Penitentiary on leave of absence so-called forced a citizen at knife point to take him 50 miles to the city of Montreal and the escape by that prisoner, and in view of the suggestion in the Speech from the Throne that greater priority would be given to the protection of society, will the minister give consideration to changes in the administration of the leave of absence program that will prevent the kind of incident which happened yesterday and has happened all too often since the beginning of this session?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, that incident is now under investigation. As I mentioned to the House, we are preparing proposals to change the parole and temporary absence system, and these will be given to the House shortly.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Solicitor General how many incidents of this kind we must experience before he stops investigating and starts to act?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

PAROLE OF WOMEN—POSSIBLE IMPLEMENTATION OF RECOMMENDATIONS OF COMMISSION ON STATUS OF WOMEN

Mr. John Gilbert (Broadview): Mr. Speaker, in view of the recommendation in the report on the status of women concerning women and the Parole Act, and in particular the closing of the women's quarters at Kingston Penitentiary, would the Solicitor General indicate whether he has taken any action on these recommendations?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we are discussing these with the provisions provinces and have certain proposals to make to them. We hope to have some announcements to make in due course.

* * *

TRADE

CANADA-UNITED STATES AUTO PACT—EFFECT OF POSSIBLE CHANGES

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce [Mr. Forrestall.] and is supplementary to a number posed earlier. Is he really optimistic that the possible changes in the U.S.-Canada auto pact will result in an improved Canadian position?

Mr. Speaker: Order, please. A question asked in those terms is not in order.

* * *

POST OFFICE

ALLEGED ISSUANCE OF 1972 T4 SLIPS FOR WORK PERFORMED IN 1971—GOVERNMENT ACTION

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Postmaster General of which I have given him notice. Has the Post Office recently issued T4, 1972, statements to a number of persons in the Toronto district, including Mr. H. Griesdorf, 32 Alberta Avenue, for work performed during the Christmas rush of 1971?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I want to thank the hon. member for having given me notice of his question, but I should like to remind him that payments and deductions for tax purposes do not come under my jurisdiction but rather under the jurisdiction of the minister responsible for the Central Pay Division of the Department of Supply and Services.

[*English*]

Mr. Hellyer: Mr. Speaker, I have a supplementary question for the Minister of Supply and Services. Is it the practice of the government to issue 1972 T4 forms for work performed in the fiscal year 1971, does this comply with the law of the country and, if not, will the minister look into this matter and make whatever restitution is necessary so that these people will not be taxed in 1972 for income earned in 1971?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I shall surely examine the matter as suggested by the hon. member.

* * *

[*English*]

SHIPPING

DAMAGE TO SHORELINE PROPERTIES ON LAKE ONTARIO AND BAY OF QUINTE BY WASH FROM LAKE VESSELS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of Transport and I have given him notice. It is pursuant to my question of April 11 and pertains to the hazard of damage done to the shoreline, particularly in the Bay of Quinte, as a result of lake vessels moving at full speed in confined waters. I asked him for a ruling in respect of a speed limit. Can he now inform the House regarding new restrictions on the speed of vessels plying the lower Great Lakes and the Bay of Quinte area during this period of high water emergency?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I asked the hon. gentleman to be a little more precise as to the region he wanted covered. As the hon. member knows, in some parts of the area to which he is referring perhaps ships cannot decrease their speed because of the danger of currents. As soon as I have the specific information I will be happy to send someone to see if a speed limit can be established.

* * *

MANPOWER

ALLEGED USE OF MANPOWER OFFICES TO SUPPLY STRIKEBREAKERS TO POTASH MINE IN SASKATCHEWAN—GOVERNMENT POSITION

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. Will he inform the House whether it is the policy of officials or counsellors of manpower offices to interview and provide prospective workers to industry and employers in circumstances where a labour dispute is in being? More specifically, are manpower offices being used to supply strikebreakers?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I regret that I was not listening to the earlier part of the question. Perhaps the hon. member would repeat it.

Mr. Gleave: Mr. Speaker, I asked the minister whether it was the policy of officials or counsellors of manpower offices to interview and provide prospective workers to industry and employers in circumstances where a labour dispute is in being and, more specifically, is it the policy for manpower offices to interview and provide strikebreakers?

Mr. Andras: Most certainly not, Mr. Speaker, and if there is any evidence of such a suggestion I would like the hon. member to let me have it.

Mr. Gleave: Mr. Speaker, I should like to know whether the minister is ready to investigate the specific circumstances of this being done through the offices in Saskatoon for the potash mine owned by Duval?

* * *

FLOODS

HIGH WATER LEVELS IN GREAT LAKES—GOVERNMENT POSITION ON ASSISTING ONTARIO RESIDENTS SUFFERING PROPERTY DAMAGE

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, subsequent to representations made by the Ontario Provincial Secretary for Resources Development at the beginning of March of this year—

Some hon. Members: Oh, oh!

Mr. Kempling: Wait for it, fellows. Subsequent to those representations and representations by his provincial Ministers of the Environment and of Agriculture and Food, has the federal government decided to change its present position of refusing to assist those suffering from flood and erosion damage in the province of Ontario until the province has spent a minimum of $8 million, and assisting only to the extent that by the time total expenditures were $40 million the federal contribution would still be only 50 per cent?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, when the provincial ministers were here they were impressed by our policies and they went home saying they would be developing policies which would fit in with ours. I have yet to hear officially from them.

Mr. Kempling: Mr. Speaker, the minister has on numerous occasions referred to the fact that he has had no contact with the province of Ontario on the matter of erosion. I am surprised to hear that he has had this—

Mr. Speaker: Order, please. That is hardly a supplementary question.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

SUGGESTED INCREASE IN PRERETIREMENT ALLOWANCES OF MINERS—GOVERNMENT ACTION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. In view of the fact that a motion earlier today which would have arranged to assist financially preretired coal miners was rejected by the government, may I ask the minister responsible for the Cape Breton Development Corporation whether he would immediately contact the president of that Crown corporation and members of the board and urge them to take the necessary steps to bring preretirement allowances up to a decent level, at the very least commensurate with the high cost of living?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): I not only will, Mr. Speaker, but I have on several occasions been in touch with the president of Devco, most recently last evening at approximately five o'clock. There is a meeting tomorrow of the board of directors and I asked specifically that this matter to which the hon. member has referred be considered at that time.

* * *

IMMIGRATION

POSSIBLE GRANTING OF WORK PERMITS TO THOSE WITHOUT CITIZENSHIP STATUS IN VIEW OF LOWER UNEMPLOYMENT RATE

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. In view of the remarkable drop in unemployment rates announced today, and particularly the rate of 4.8 per cent in Toronto, for which the government is to be congratulated, will the minister tell the House whether

he intends to relax his present policy in order to grant permits to work to those people seeking them?

● (1520)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, to the degree that the lowering of unemployment means that Canadians would not be available or looking for particular jobs sought by visitors, yes; the policy has a self-relaxing portion built into it and permits would be granted.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

CIP PLANT IN TEMISCAMING—PROVISION OF ASSISTANCE TO TEMBEC TO CONTINUE OPERATIONS

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like to ask a question of the Minister of Regional Economic Expansion.

Could he say if new developments have occurred since Friday concerning the request of the TEMBEC group relating to the Temiscaming plant? Were there new meetings or are they being discussed?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I cannot say anything more to the hon. member other than I answered that question for a relative of his on Monday, I believe it was. He might have a little family consultation about it and he will discover that progress is being made.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Crowfoot and then call orders of the day.

* * *

INCOME TAX

SUGGESTED RELIEF FOR MASSEY-FERGUSON AND OTHER MULTINATIONAL CORPORATIONS—GOVERNMENT POSITION

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a question to the Minister of Finance. Will he inform the House what he or his department is doing to explain the tax act, particularly that section affecting multinational corporations such as Massey-Ferguson, so that they would retain their head offices here in Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I said during the debate earlier that we are reviewing foreign accrued income and we hope to allow a moratorium on this until 1975. We also hope to have an announcement to make well before that time.

Mr. Horner (Crowfoot): Under that vague assurance can we, as Canadians, rest assured that this once proud Canadian company which has done so well internationally will retain its head office in Canada?

[Mr. Caccia.]

Mr. Turner (Ottawa-Carleton): I made that very point to Mr. Thornborough, the head of the company, when I saw him last week.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

EMERGENCY GOLD MINING ASSISTANCE ACT

EXTENSION TO JUNE 30, 1976

Hon. Jean Chrétien (for the Minister of Energy, Mines and Resources) moved that Bill C-130, to amend the Emergency Gold Mining Assistance Act, as reported (without amendment) from the Standing Committee on National Resources and Public Works be concurred in.

Motion agreed to.

Mr. Chrétien (for Mr. Macdonald (Rosedale)) moved that the bill be read the third time and do pass.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, before this bill receives third reading, a stage which I anticipate will be reached very shortly, I should like to comment on some of the explanations that were given at the committee stage which made it unnecessary for some amendments to be moved at the report stage which otherwise might have been moved. Over a period of time there had been considerable discussion concerning whether or not the first clause of this bill or, in fact, the title should be amended to make it a permanent feature. It was pointed out, and I think rightly so, that the "Emergency" part of the legislation carried with it an acknowledgement that there was not an intention to keep this industry under government subsidy indefinitely, and that world conditions probably would make any payments under this bill unlikely. I, for one, and the committee in general, were very appreciative of the deputy minister who outlined in some detail the method of calculation of emergency gold mining assistance. The committee was also appreciative of the work the deputy minister has done in relation to co-ordination with other government departments.

The suggestion was made that some publicity should be given to the federal contribution in those communities which have been dependent on gold mining assistance since 1958. Many of them have passed into limbo. Many of them are no longer communities. However, some of the communities in northern Ontario and northern Quebec are still in existence—and I think this is particularly true of Timmins today—with a totally different industry, partly because of the ability of the mining industry to survive with the assistance of this particular piece of legislation. The deputy minister also indicated that, in co-operation with other government departments, progress had been made in respect of the establishment of an interdepartmental committee to work with the communities, with community leaders, with the unions and with the management of the gold mining industry, to assist wherever possible in the introduction of other industries into that

area which originally had been totally dependent upon gold and the emergency assistance.

It is very interesting to note, with the increase in the price of gold on the open market and the unfortunate—I think it is unfortunate from a Canadian point of view—unacceptability of the International Monetary Fund's plans to introduce a new economic unit, that gold may again be one of this nation's most valuable commodities. It may be that the fact we have spent $300 million since 1958 in order to keep this industry in operation will keep us in the forefront in respect of any changes which may take place necessitated by the inability of the world to accept any international stability of currencies other than gold. The fact is that gold is now selling at $100 an ounce. In some countries it is selling for considerably more than $100 an ounce on unofficial markets. I presume it is worth more than $100 an ounce in the United States where technically it is illegal for anyone to buy gold other than a numismatist. It is reported that such people are selling gold for upwards of $200 an ounce. Not only is our silver being drained off, but also any coins we have been able to produce have found a ready market south of the border.

As has been mentioned previously, there is an indication that a world gold standard will be established. If a gold standard is established—and I think there are many reasons we in this country should hope it is not—it would obviously mean that Canada, so far as production is concerned, will probably be the third largest producer of this very strategic metal, either for industrial purposes or for the purpose of stabilizing international transactions. I would predict that if a world standard is established for gold, that standard will range somewhere around $300 an ounce. It will mean that in the northern parts of Canada a great impetus will be given to the development of the gold mining industry, which over the past 20 years has been a liability to the nation and, in many instances, has been a liability to the community where the gold mine is located.

● (1530)

Personally, I am pleased that the act will be extended. I did not press in the committee, nor did other hon. members, for a change in the formula to include the production of new mining developments because of the uncertainty of the role that gold will play in the industrial and monetary markets of the world. I think that some progress would be achieved in the development of new mines in the northern areas if a stable price for gold were established for a long term and the fluctuations in the price were to cease.

It is a fact that our gold mines are not taking advantage of the provisions of this act. This act is an insurance against a calamity which may at any time occur in the international monetary situation, an insurance against any calamity that might befall the gold mining communities if the price of gold were to drop to the United States price of $38. If the price of gold could be stabilized above $100, obviously new mines would open. Money for development is readily available, but this money could not be expended in the amount that would be necessary for the development of existing properties and of other known deposits unless the investors also had the assurance that there would be a period in which they could use the floor price set in the act to wind up their operation.

In northern Ontario—and I believe this is true of northern Quebec as well, with the exception of one or two new mines that came into production in the last four or five years—we are not witnessing the type of growth in the industry that we might have anticipated in view of the fact gold is now selling on the open market at from $75 to $90. I am sure that this has made much of previous mining development feasible. Therefore, there could be some merit in the government giving consideration to amending the act at a later date, in view of the possibility of new gold mines being developed throughout the northern area, which would provide those mines with the same type of safeguards that the Emergency Gold Mining Assistance Act provided to mines that were in existence before 1958.

I think that all hon. members representing gold mining communities sympathize with the position which the government has taken in not wanting to extend the act to include new producers. It has been the policy in Canada not to encourage the gold mining industry, but I suggest that if any long term stability in the price of gold is achieved in the international market so that there will be a steady demand, it will be a worthwhile project to encourage the development of gold mines and the extension of the communities in which they exist. Most of these communities are developed, at least to some extent. There are few known gold deposits in my area that are not within close proximity to already established communities, and therefore we are not envisaging a repetition of what happened 30 or 40 years ago when the total community was dependent on the gold mining industry. I suggest to the House that the assistant-deputy minister of mines, in conjunction with representatives of other departments, has made some progress in ensuring that gold mining communities are not wholly dependent on gold mining but are able to take full advantage of and receive full co-operation from, other departments concerned with development, such as the Department of Regional Economic Expansion.

Canadians no doubt are aware of the fact that although Canada does not hold gold, that although Canada has always transferred its gold faithfully to the United States, we have at present a small amount of gold in our mint to cover the cost of assistance under the Emergency Gold Mining Assistance Act which, if sold, would bring to the Canadian public a profit of probably well over $1.5 billion. I am not suggesting that we do that. However, I am suggesting that in the total context of the Canadian economy and, the gold mining industry, the service that has been provided under EGMA to those communities that are totally dependent on the industry has been vindicated by the fact that the value of the gold which is now being held by Canada is far in excess of the subsidy that we have paid. If it is our wish to put small quantities of that gold on the international market, Canada not only stands to recoup the cost of the assistance which has been so kindly provided for those communities to ensure their survival but will also make a very nice profit, something that seldom happens with any other commodity that has been stored, either in the agricultural or the mining sectors.

I suggest that the Canadian people can rest assured that emergency gold mining assistance to date has been a blessing to those communities which have a large labour force predominantly in the upper age levels, often with a

relatively low educational level, and has been able to provide them since 1958 with employment. It has enabled the communities to exist where in other circumstances their existence would have been totally impossible. This act has averted the almost total collapse of the community in Kirkland Lake, in Val d'Or and in Timmins, and I think in some other areas with which I am not nearly as familiar.

So, on behalf of the people of those communities, I wish to express my appreciation to those hon. members who have supported the EGMA when the act was costing money and when the general opinion of the Canadian public was that the gold mining industry was not worth supporting. I thank those hon. members who saw fit to support the act, not so much for the sake of the industry but for the sake of the people in the mining communities who were totally dependent on the gold mine. In many cases the application of the provisions of this act has resulted in additional development, and it appears to me that a new era may be dawning in gold mining within the very near future. Canada may yet find gold to be a very valuable and influential commodity which may put our country in the forefront in international circles so that we will no longer have to go begging for a market for a commodity which was selling on the international market for $35 when our costs were averaging close to $50.

● (1540)

I hope that the officials who have agreed to co-operate in the orderly development of the gold mining communities will continue to do so, and in fact will accelerate their assistance to those areas. I hope that through this co-operation, mainly resulting from the work of the deputy minister of mines, who has done an excellent job, there will be further development not only in the mining industry but in tertiary industries that can be developed through the type of co-operation that we have enjoyed.

I am therefore pleased that this legislation is being passed, and I anticipate that the next time I have an opportunity to participate in a debate on emergency gold mining assistance we will be talking about gold that will be worth several hundred dollars an ounce, that gold again will be a commodity reaching its zenith, and that due respect will be paid to those communities which at one time were the life blood of most of Canada.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, when this bill was presented for second reading on March 29, I had the opportunity to speak in support of early passage of the bill, and said it should be referred to committee without undue debate. I am now pleased to be able to join in the debate on third reading, and I would point out that it has taken only 14 days to give the bill second reading, have it examined in committee and returned to the House for third reading. Surely, this is an indication that those who are so fond of saying that there is obstructionism in this House do not have a foundation for that statement. Given proper legislation and a fair hearing in committee, I can assure you, Mr. Speaker, that there is no intention on this side of the House to obstruct good legislation.

However, Mr. Speaker, I also spoke on another bill amending another act, namely, the Export Development

Corporation Act, and I would have to say that the story with respect to it is anything but similar to that with respect to the bill which is before us today. We were met with evasion, procrastination, and the desire to conceal facts wherever possible.

When dealing with the Gold Mining Emergency Act, we found that in the committee there was an excellent presentation of the government's position, the main witness being Mr. Drolet, the Assistant Deputy Minister (Mineral Development) in the Department of Energy, Mines and Resources. Before concluding my remarks, I feel I should reiterate some of the points that were raised in committee and also at second reading stage.

When we are dealing with this legislation we should remember that it is one of the best examples of a government program which has been extremely beneficial for an industry. In fact, it not only has benefited the industry but in each of the years 1968, 1969, 1970 and 1971 it resulted, through the sale of gold on the open market, in several millions of dollars of profits. More than that, Mr. Speaker, Canada was fortunate enough, because of its gold reserve holdings, to have a windfall of $1 billion as a result of our activity in the gold field. That alone is sufficient justification for this act being extended.

As has been mentioned by the hon. member for Timiskaming (Mr. Peters), we are number three among world countries in the production of gold. Number one, of course, is the Republic of South Africa, and number two is the USSR. However, I believe that we could do better as far as production is concerned if certain modifications were made to the act. Perhaps I could now summarize our five proposals with respect to this legislation.

First, we believe that the government should give consideration to extending the life of this legislation until 1980. This would ensure that the gold mining industry would have a full understanding, for the next seven years, as to what assistance it can get, and what floor pricing the government will supply to the industry if it decides to go ahead and expand.

Second, we believe that the amendment which was made to the act in 1963, and which contains a restriction on eligibility for assistance in the case of old gold mines to only those communities where it could be said that approximately 50 per cent or more of the persons employed in the mines resided in the established mining communities listed in a schedule to the act, is not necessary today. It would be better to have the act apply to all gold mines, irrespective of whether they are existing, and irrespective of whether they are in communities listed in the schedules to the act.

Third, we also believe that the formula which the act provides for the assistance plan should be reviewed with a view to increasing the amount, or the price at which it becomes effective, to a more realistic level in terms of today's inflationary prices. This would mean that instead of the act becoming effective at roughly the $49 to $50 per ounce level, it could become effective at the $59 to $60 level. We suggest that the government give serious consideration to this proposal.

Fourth, we believe the act should be designed to encourage more actual exploration and prospecting for gold

mines in Canada. Geologists tell me there are many areas that could be developed with respect to gold mining, and with the proper legislation in force prospecting and exploring could be undertaken at a much faster rate.

Finally, we believe that the name of the act is a misnomer in that it should be more of a stabilization act. With that in mind we have suggested that the name be changed to "Gold Mining Stabilization Act". At the committee stage it was suggested that that amendment would be accepted, but we felt it was better not to change the name without changing the general philosophy and policy of the act at the same time. In short, we believe that the long-range objective of the legislation should be to stabilize the gold mining industry in Canada. If the five points I have outlined were adopted by the government, we believe that the legislation would have a stabilizing effect on the gold mining industry and lead to a growing mining sector in our economy.

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

* * *

● (1550)

PUBLIC SERVICE STAFF RELATIONS ACT

AMENDMENT OF CONSTITUTION OF BOARD TO PROVIDE FOR NOT MORE THAN THREE DEPUTY CHAIRMEN

Hon. Allan J. MacEachen (President of the Privy Council) moved that Bill C-178, to amend the Public Service Staff Relations Act be read the second time and referred to the Committee of the Whole.

He said: Mr. Speaker, I do not want to take very much of the time of the House in explaining this bill but I believe it is of some interest to make a number of statements in order to advise members of the House and members of the Public Service of what is intended.

The present bill to amend the Public Service Staff Relations Act has the objective of strengthening the board by allowing for the addition of not more than three deputy chairmen. This is an interim measure which is required in order to strengthen the board and permit it to deal effectively and expeditiously with matters coming before it.

One of the advantages deriving from the passage of this bill will be an easing of the demands on the chairman of the board, Mr. Jacob Finkelman, thus permitting him to undertake a report on further amendments required to the act. Mr. Finkelman, who has been with the board since its inception in 1967, has witnessed the actual day to day operation of the existing legislation. Therefore, if we can provide relieving additional vice-chairmen, we will ask Mr. Finkelman to make a report on further amendments to the public service staff relations board. In exercising his function, Mr. Finkelman has gained the respect of both the employer and employee representatives before the board for his impartiality and good judgment.

The government has decided to take advantage of Mr. Finkelman's expertise in this area by requesting that he prepare a study based on his experience under the present act and make recommendations for change where he feels they are necessary. Although Mr. Finkelman's study is not to be restricted to any particular aspect of the Public

Service Staff Relations Act, it is envisaged that his internal knowledge of the requirements of the board will be of great assistance in determining what administrative framework is required for the effective administration of the act. In the preparation of his report, it is the government's intention that Mr. Finkelman shall have available to him any relevant internal documents, including the Bryden report, which may be useful to him.

It is hoped, therefore, that the House will see fit to pass this bill as quickly as possible so that Mr. Finkelman will be able to begin his task as soon as possible. If the chairman of the board is successful in recruiting the necessary deputy chairmen required for the board, it is anticipated that his report will be available to the House early in the fall for consideration. It has been the government's posture that no major amendments would be made to the Public Service Staff Relations Act without a full opportunity being given to the employee representatives to openly participate in any proposals which are made. It is anticipated, therefore, that the employee representatives would be invited to comment on Mr. Finkelman's report to the standing committee charged with its consideration, and in addition, of course, there would be full consultation between the government and the employee representatives before the government bill making major amendments to the act is brought forward.

Although this proposed procedure is open to the criticism that it will further delay any proposed amendments to the act, I think it is fair to say that all parties involved in the application of the act will agree that it has worked reasonably well thus far and is considered to be among the most progressive and successful legislation of its type in the world. For this reason, I think it is essential that any further major amendments to the act be fully considered and agreeable to the parties affected by the legislation. Only through the good will, confidence and voluntary agreement by all the parties involved to "make the legislation work" can we expect any amendments to the act to be successful and an improvement.

The proposed bill before the House today would strengthen the public service staff relations board by adding "not more than three" deputy chairmen. These deputy chairmen would be neutral members of the board appointed by the Governor in Council for a term not exceeding ten years. The addition of these deputy chairmen would permit the board to dispose of cases before it more quickly and to deal effectively with the existing backlog. The existing balance at hearings of the board whereby, in addition to an equal number of representatives of both the employee and employer, only one "neutral" member of the board would be permitted to vote will be continued. This is provided for in subclause 5(2). It is anticipated that these additional members of the board would be incorporated in any new administrative framework proposed when the major amendments are made to the act in the future.

This is an amendment which all parties affected by the legislation have requested, and I would hope that it could pass the House today so that it could be dealt with by the Senate and given Royal Assent before the House rises for the Easter adjournment.

In order to complete my information to the House, if and when the bill passes, the government will formally ask Mr. Finkelman to conduct this study or examination. For purposes of putting it on the record, I should like to read the draft terms of reference that have been proposed. It is recommended that Jacob Finkelman, Q.C., be authorized:

to examine the Public Service Staff Relations Act and its administration and to make recommendations, having regard to the experience gained since that act came into force, as to how it should be amended or revised in order to meet adequately the needs of the employer and the employees in the Public Service and the employee organizations that represent them, and to serve the interest of the public. An integral part of this review will be a consideration of the administrative framework required for the effective administration of the provisions of the act.

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, the House leader (Mr. MacEachen) has asked for speedy approval of this measure. We are in favour of that and the terms of reference seem to be in order. The House Leader spoke of three neutral deputy chairmen. I hope when he uses the word "neutral" that is what he means, and that he would not have in mind the appointment of any more defeated Liberal candidates!

Some hon. Members: Hear, hear!

Mr. Bell: I hesitate to say that because I am one of those who, for many reasons, was not against the appointment of defeated candidates to political posts. I have found that some political candidates, and in nearly every case I would think they were government candidates, who have been appointed to departments have been very co-operative. At least we know them when we call them on the telephone, but I must say I have still to get much satisfaction with the problems I present. At the moment, however, I believe that the public considers we are at the end of the list, and the minister should assure us that we have just about run out of possible Liberal appointments—at least until the next election.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are grateful to the President of the Privy Council (Mr. MacEachen) for putting on the record quite clearly the purpose of this bill and we are happy to agree to it. I may say that there have been discussions among us about the bill so that the information the minister has given today is already known to some of us. However, I think it was proper for him to put the full story on the record.

● (1600)

As a matter of fact, I believe a case could be made, even apart from the extra duty to be assigned to Mr. Finkelman, for an increase in the number of persons comprising the Public Service Staff Relations Board, in view of the work load of that board. But the particular reason that prompts the bringing in of this bill, and the request for it to be passed quickly, is a very real and pressing one. As the minister has implied, there has already been regrettable delay in bringing forward amendments to the Public Service Staff Relations Act. We have had the experience of the Bryden study and the Bryden report. There have been a number of things about that which have been unsatisfactory. We were never completely happy with the way the hearings were held. Too much was done in camera, and then we had the long struggle in trying to see what was in the report. Added to that is the fact that it is a couple of years old and probably, in view of some of the new thinking which has been evident on the part of the minority government we now have, there might be a disposition to move in a direction different from that which I suspect was proposed in the Bryden report. Therefore, we welcome the suggestion that Mr. Finkelman, whose reputation for impartiality has been so well established, should be given the job of making this study of the operations under the Public Service Staff Relations Act and the operations of the Public Service Staff Relations Board. He will do this, not as an academic outsider, but as one who has been very closely involved. The minister is quite correct in saying that the staff, associations and those concerned all welcome the proposal that Mr. Finkelman make this study and present his recommendations for changes in the act.

It is quite clear that, because of the work load facing the board, if Mr. Finkelman is to do this job he will need to be relieved of some of his duties as chairman. That is the reason for this bill and that, also, is why we are prepared to expedite its passage. As a matter of fact, we do not see why it cannot pass all stages today.

I was glad to hear the suggestion that Mr. Finkelman should be able to make his report not later than the fall. I hope, therefore, that whatever government sits across the way when that time comes, we shall then be dealing with proper and appropriate amendments to the Public Service Staff Relations Act. Not only are we willing to see this bill passed quickly; we welcome it. We have examined it, to make sure that there are no jokers tucked away in it. It seems to me a straightforward, honest piece of drafting and we therefore hope this bill will be passed very quickly.

Mr. Deputy Speaker: It appears that the House is ready for the question. Pursuant to special order made earlier, the motion is that Bill C-178, to amend the Public Service Staff Relations act, be now read a second time and referred to the Committee of the Whole.

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

Clauses 1 to 5 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

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

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

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, since the House is in this mood to do things quickly, would the Minister of Veterans Affairs like to bring forward his bill to amend the Pension Act.

Mr. MacDonald (Cardigan): I should love to, Mr. Speaker.

EXPORT DEVELOPMENT ACT

INCREASES IN AUTHORIZED SHARE CAPITAL AND IN CEILING ON LOANS AND GUARANTEES BY CORPORATION

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce) moved that Bill C-3, to amend the Export Development Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the said bill be read the third time?

An hon. Member: Now, by leave.

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

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in speaking in the debate on third reading of Bill C-3, I think various matters should be put on the record of this House. I feel that the activities of the Export Development Corporation should be reviewed in two basic respects. First, its activities should be reviewed in a national Canadian context. In short, in this corporation serving the businessmen and, in particular, the exporters of this country as productively and effectively as it might be doing. Second, this corporation should be reviewed in the context of what it is doing in terms of world trade. In particular, we must ask what is it doing to, or possibly for, underdeveloped nations in the world.

In considering the bill I think it is important for the House to take into consideration the general policies of the minister responsible for this bill. I am referring to the Minister of Industry, Trade and Commerce (Mr. Gillespie). In a speech delivered yesterday to the Canadian Club in Toronto, I believe the minister clarified much of the confusion that exists with respect to government policies as they are communicated from department to department and as understood within departments. In the course of his speech he makes the startling observation that it is impossible to develop an industrial strategy in Canada. This is a statement by the Minister of Industry, Trade and Commerce (Mr. Gillespie) a member of a government which has been in office for some ten years. He is now telling us that they cannot develop an industrial strategy for this country. Instead, he says, what they propose to do—and I emphasize that this is still in the future—is develop a strategy for sectors of the economy on an industry by industry basis. This, presumably, is the philosophy of the government. Then, he tells us, the time to start getting into shape for the game is now. It was not last year, or five years ago, or ten years ago, but now. The unfortunate thing, however, is that the indecision of the minister's department and of associated departments, is causing tremendous hardship to businessmen in this country.

● (1610)

It has been said before in this chamber that such industries as tanning, electronics, and shoe manufacture are being severely hurt by the absence of import quotas and the resulting flood of imports into this country from overseas. Spokesmen for these industries have appealed to the Prime Minister (Mr. Trudeau) and to the minister for relief. But to date no relief has been forthcoming. Asked what he intended to do to relieve the plight of these industries, the minister said the question had been referred to the anti-dumping tribunal and that he was still awaiting a report from this tribunal. When members of that tribunal appeared before the appropriate committee of this House they admitted a report had been requested from them as long ago as November of 1971 but that as of today no report had been made to the minister.

In the meantime, the industry is in a state of serious decline. Its spokesmen say that if the present situation is allowed to continue until 1975, the tanning industry in Canada will be extinct. I emphasize that when I refer to the tanning industry, I am referring to a 100 per cent Canadian-owned industry which the Department of Industry, Trade and Commerce, through its indecision and incompetence, is allowing to die. On the other hand, the Minister of Industry, Trade and Commerce has introduced Bill C-132, in which he proposes to set up an agency to scrutinize foreign take-overs and the expansion in certain circumstances of existing foreign subsidiary companies in Canada. I shall refer to this bill in the course of later debates, but I think it is safe to say now that these proposals amount simply to window dressing. I say this on the basis of the known history of the Export Development Corporation. That corporation has been signing up financing contracts to the extent of hundreds of millions of dollars with absolutely no reference, as was shown during the committee hearings, to the ownership or control of the companies in Canada which received the benefit of this financing.

The fact is that some $1 billion had been committed by this corporation up to the end of December, 1972, of which amount approximately half had gone to eight corporations in this country. And of those eight corporations approximately half were foreign controlled. During our committee hearings a representative of the Canadian Export Association gave evidence that the total membership of the association amounted to some 400. On subsequent questioning of Mr. Aitken, the President of the Export Development Corporation, we were startled to find that only 15 Canadian companies had received direct assistance in the past year from the same Export Development Corporation. In other words, less than 4 per cent of the total membership of the Canadian Export Association received direct assistance from this plaything called the Export Development Corporation. I say it is a plaything; you should witness the signing of these contracts to which I am referring. The minister leaves this building in his chauffeur-driven limousine; an ambassador in a car comes in from the other side. They meet in the luxurious offices of the Export Development Corporation. They drink champagne, they sign big deals, and they drive back to their respective offices feeling they have done something of significance. I am referring to the fact that it has become a champagne circle as far as world activity is concerned.

Mr. Breau: You have not got to the hoochy-coochy girls yet!

Mr. Stevens: The government has often been accused, rightly, I think, of adopting yesterday's solutions for today's problems. Here, the opposite is happening. Now, it

is creating tomorrow's problems today. I can guarantee that within five to ten years time a committee of parliament will be reviewing the deals which have been signed by this corporation and they will be trying to figure out why we were so stupid. The committee will be trying to ascertain why these deals were entered into by the corporation without more precautions being taken, and I would remind hon. members that when I speak of deals I am speaking of deals which are made not for one year only but, as the President of the Export Development Corporation told us, are operative for up to 20 years.

Let me return to an earlier point I made. How desirable in terms of world trade is the activity of the Export Development Corporation? In this regard it is important, I believe, to read various references which are available in a world context on this subject. The first I should like to mention is a reference in an article by the late Lester B. Pearson entitled "Partners in Development". This is a report of his commission on international development and, as recorded on page 119, Mr. Pearson makes some very relevant statements. Incidentally, the Berne Union which he mentions, is the name given to a loosely knit association into which all or most of, the export associations belong. He states:

> The Berne Union understanding that credits should not normally be extended for periods exceeding five years has effectively been abandoned by all major capital goods exporting countries and maturities frequently exceed eight, and sometimes even ten years. Virtually the entire net flow of export credit to developing countries in 1967 involved credits with maturities of more than five years.

And here we are, in 1973, being told by the President of the Export Development Corporation that they are now considering loans for 15 years in the same field. In the review Mr. Pearson points out that export credits have a part to play in development, but that their imprudent use involves very real dangers. First, export credits are usually an expensive form of external finance. This may be true, he says, even where the nominal rate of interest is low. However, this is offset by adjustments to the price of equipment purchased. Cases were reported to the commission involving price adjustments exceeding 100 per cent of the world market price. Although these cases are presumably rare, smaller adjustments are understood to be common.

● (1620)

In that connection, I think it is interesting to note that when he appeared before the Standing Committee on External Affairs and National Defence on March 9, the Most Reverend Edward W. Scott, Primate of the Anglican Church of Canada, referred to the problem of international financing activities. He pointed out that he was convinced from experience and studies that two crucial areas required much more attention and action: one was trade policy and the second was population. Mr. Scott made it clear in his remarks that he knew of examples where what he called fast selling salesmen were able to sell to persons in underdeveloped countries merchandise at over 100 per cent above the going market price for such merchandise.

Coming back to Mr. Pearson's article, his second caution is that the excessive use of export credits has created serious balance of payments problems for developing countries which have relied on short-term borrowing to finance long-term investments. Since the mid-1950s an undue accumulation of short-term suppliers' credits has been a major reason for the need to reschedule the debts of a number of countries, namely Argentina, Brazil, Chile, Ghana, Indonesia and Turkey. With the exception of Ghana, our Export Development Corporation, either on their own account or as agent for the government, have been actively giving further credits to each and every one of those countries referred to by Mr. Pearson. When I say "credits", I am referring to credits aggregating almost $250 million, approximately a quarter of a billion dollars of the total $1 billion signed up to date by the Export Development Corporation.

Mr. Pearson goes on to say that export credits are frequently used to finance industrial projects in the public sector, because in general neither international aid agencies nor the main bilateral aid donors are eager to finance industrial projects in that sector. Instead, credits are used as the next best alternative.

Mr. Pearson then comments that, as a rule, proper investigation is not made before these credits are granted, and that often they are probably motivated by an awareness that the project at issue might not pass rigorous economic reliability standards. Mr. Pearson recommends that the World Bank group draw up ground rules which would guide various contries in this field in order to avoid what he felt was a key problem in the field.

Nevertheless, Mr. Pearson comments, some restraint on the part of creditor governments is indicated. They, themselves, have an immediate interest in avoiding excessive use of export credits which is likely to lead to default or to a rescheduling of debt. Then he says:

> We recommend a strong early warning system based on the external debt reporting which is being evolved by the OECD and the World Bank. The World Bank should be charged with the responsibility of issuing definitive recommendations against further encouragement of export credits to countries which are in the danger zone from the standpoint of debt liabilities and interest burden. It should fix ceilings which should not be exceeded.

Not only does the Export Development Corporation not adhere to any such ceilings, but the fact is that in evidence given to the committee it turned out that it has no internal guidelines even as to the amount of credit it might extend to any country in the world.

If I may, I feel I should point out that the Export Development Corporation was likely born, as much as anything, out of the report on Canadian financing facilities for export by J. W. Gibson, issued on May 14, 1968. This is an interesting report. Unfortunately, the various things that Mr. Gibson expected to happen with respect to the Export Development Corporation have not, in fact, materialized to any great extent. I am referring, for example, to his wish to see Canadian chartered banks participate in export activity to a much greater extent. He mentioned the various means by which the Export Development Corporation could enhance export activity in the country. In short, I believe that what has happened is that a good idea has been warped, and this matter will become a problem child with which future Canadian governments will have to live.

I suggest it is being warped because Crown corporations, as they are administered by this present government,

become a law unto themselves. I am amazed to find there is virtually no orientation in a Crown corporation toward making a profit. For example, when questioned as to why CMHC's profits have fallen in three successive years, I was startled to find the minister in charge of the corporation say: "As far as I am concerned, the lower the profit, the better". When I asked him whether he was on record as saying that, he replied yes, the lower the profit, the better, as far as he was concerned. Surely it is a strange thing that we have corporations that are almost invited to run at something less than significant profitability.

Be that as it may, when this bill was first introduced by the minister he said that he hoped it would get speedy passage through the House. Subsequently, he stated that there would be ample opportunity to discuss the bill during committee stage. I would suggest that that was not so in actual fact. What we found when we got to the committee stage of the bill was that every attempt was made to be secretive and not reveal information to which I believe we in this parliament are entitled. For example, it was not until literally the opening of the first committee meeting that we even received the annual report for 1972 of the Export Development Corporation itself. I would also point out that the Export Development Corporation took it upon itself to tell various exporters who had commitments from that corporation that we were holding up the passage of the legislation both at the committee stage and in the House.

● (1630)

I think what the President of the Canadian Export Association, Mr. J. M. McAvity, stated in a written submission to the committee in Item 5 should be on the record. He said:

> At this time, some companies are being cautioned by EDC that their commitments for long term loans and guarantees are approaching the authorized ceiling and, until Bill C-3 is passed, they are not in a position to give any assurance that a loan will be available for new business.

When I questioned Mr. McAvity he indicated it was the Vice-President of the Export Development Corporation, Mr. Chapin, who made that observation to him. I suggest that surely this is a very irregular proceeding when we were invited to make a deep and thorough investigation of this corporation, and in particular this bill at the committee stage, yet we find that those who are guiding the Export Development Corporation take it upon themselves to create a lobby to pressure the bill through the House. Just who is running whom? I feel the minister should not have tolerated that type of behaviour on the part of the executive of the Export Development Corporation.

Then, we come to the first little bit of illegality concerning the corporation. When the bill was first introduced it was stated that the ceiling in respect of the financing Section 29 was $850 million, and there was the request that the ceiling be raised to $1.5 billion as stated in the bill. On further questioning, the minister was very definite in stating that in any event the ceiling at no time had been exceeded. That view was maintained right down to the point of handing in the 1972 report to the committee. This is very strange because if you compare Note 2 in the 1972 financial statement with Note 2 in the 1971 statement, you will see that the terminology in respect of what is included in loans under the ceiling was changed very conveniently. It now turns out that the total of the loans committed was not even close to the ceiling. In fact, the figure suggested for the total liability defined under the act was only $502 million, and there was lots of room under the ceiling of $850 million.

In support of this position a copy of a cable was handed to the committee dated November 30, 1972 showing that if a projection were taken right up into 1976, at no time, including all disbursements and repayments, would they exceed that magic ceiling of $850 million. A further schedule was tabled subsequently, dated in January of this year, which showed that in fact that schedule had been offered to the committee for a purpose. The true projections of the corporation were contained in the subsequent January 1973 schedule which showed that there was a substantial over-run as far as the ceiling was concerned.

Let me refer to the specific comment of the president of the corporation during the hearing. He was asked whether in fact the total of loans committed would be over the ceiling now if the same terminology were used in 1972 as was used in 1971 in respect of what is included, and his very clear answer was yes. He was then asked why the terminology was changed and he said it was because of the misleading implications of the statement the year before. In short, we have the President of the Export Development Corporation admitting before a committee of this House that the corporation published a misleading statement the year before. I suggest that, in their hearts, the management of the corporation did not feel the 1971 statement was misleading, but believed they had to cover their tracks in order to ensure that, within the terms of that definition, they were not over the ceiling and the committee could deal with the bill.

Various references were made to the misleading effect of the wording in the earlier statement. Perhaps it is sufficient to say there is no doubt these statements have been put in a most convenient form to serve their own purpose. What was done was illegal, yet rather than admit the illegality the corporation asked for, and apparently received a convenient legal opinion which allowed it to calculate the ceiling liability in a different way than it had been calculated in the previous year. One might wonder why the corporation was so urgently trying to get this legislation through. As the President of the Export Development Corporation admitted to the committee, if the corporation used its own definition of the ceiling, the total of loans committed would still not be above the $600 million ceiling the corporation asked to have increased back in 1971. How ridiculous can you get? They came to this parliament in 1971 asking to have the ceiling increased from $600 million to $850 million. This year they asked that it be increased from $850 million to $1.5 billion, yet they admit they were still not over the ceiling which existed in 1971.

Let us consider another odd thing. In the 1972 report we find significant qualification by the Auditor General of Canada. The Auditor General pointed out that the corporation was involved in the provision of financing to the extent of $485 million for the purchase of a replacement aircraft without seeking a parliamentary appropriation.

That qualification is made after the Auditor General describes a certain transaction involving the Canadian Commercial Corporation. To show you how arrogant this corporation, the minister and this government is, the chairman of that board has the audacity to then state that the Auditor General has misinterpreted the facts. The board does not even believe the Auditor General who has been empowered by this parliament to check on what they are doing.

When I ask what the rush is all about, I think it is significant to realize that the Auditor General's report for 1972 is still not before parliament. Members of this parliament will be extremely interested when they read the description of this transaction in the Auditor General's report. This bill should not be ramrodded through this House before we have an opportunity to review what the Auditor General has to say in his report about this fancy transaction. I would point out that, while the country of destination in this deal is Venezuela, the Bank of Nova Scotia is involved with a company, BNS International Bahamas Limited, which is the actual borrower. I would also point out that of the $28 million involved in the deal, $25 million has been advanced, and that over 25 per cent of the total amount of money put out by this corporation in 1972 under section 29.

● (1640)

Perhaps one of the most interesting things which transpired in the committee hearings was that when asked what, under the new formula, would be the total amount of contracts they could sign if this bill should be passed, the president of the corporation admitted it would be $2 billion. They have roughly $1 billion signed now. If this act should go through they will have roughly a $2 billion capability so far as signed contracts are concerned. I have indicated that there are very few companies in Canada receiving the benefit of this money. The majority of the companies are actually foreign controlled. So, one would ordinarily expect that after the quack-quack-quacking Mr. David Lewis did during the last campaign concerning corporate welfare bums there would be a strong protest at the committee hearing over the fact the government was getting ready to give $1 billion of extra financing to a few corporations which were lucky enough to have the inside track.

Here is what happened. While the Export Development Corporation witnesses were in attendance there was not one question from an NDP representative. Their financial critic sat through the entire hearing doing nothing but his daily crossword puzzle. There was not a question. So, here you have it. In his book the leader of that party, at page 116, lists what he calls various rip-offs totalling $955 million. At other places he lists various rip-offs, LIP grants and things like that, and yet when members of that party have an opportunity to do something of a concrete nature they just do nothing. I feel that the people of Canada should understand this and should note the insincerity of their position, and also the insincerity of the minister's position when he indicated that he seriously intended to deal with the foreign ownership question in Canada with his Bill C-132, yet at the same time he allows a corporation to give, with absolutely no reference to ownership, tremendous financial assistance to such corporations as General Motors, MLW-Worthington and many others.

[Mr. Stevens.]

In dealing with the question of risk, during the committee hearing the question was asked of the president if, for example, he wished to sell the $17½ million worth of paper the corporation had placed in Argentina, what price would they get. I must admit that the president was very candid. He did not think there would be a market. So I asked him, if he could find a buyer what would be the likely discount. He indicated that they had a deal in respect of financing in Turkey and they were offered 33 cents on the dollar. This is the type of paper the corporation has been signing to hand out hundreds of millions of dollars.

I should like to list, in summation, ten positive things which should be done before this corporation is allowed to continue with its champagne exploits. First, we believe that the administration of the corporation should be thoroughly reviewed. There are very nasty rumblings of tremendous frictions within the ranks of the corporation, including senior personnel. We believe that under this heading there should be a thorough investigation as to the security which is actually being taken with regard to each deal the corporation ends up financing.

We believe there should be a review of the effect this type of financing is having on the underdeveloped countries or the other countries to which we are giving the financial assistance.

We believe that the corporation should be required to report to a standing committee of this House of Commons at least twice a year. The United States counterpart is required to report to the Congress in the United States twice yearly. Surely, it is not too much to expect that there be the formality of this corporation appearing before a committee of this House in a similar manner twice a year.

We believe that the corporation has only given lip service to raising a relatively large portion of its financing from the private sector. At the present time there is less than $50 million in short-term loans. The United States counterpart, on the other hand, has been able to raise every 90 days substantial debenture money from the private sector rather than relying on the treasury of the United States.

We believe the corporation should have more offices in order to assist exporters to deal properly with the corporation across this country.

We further believe there should be a sector set up within the corporation with a ceiling of perhaps $1 million per deal which would be designed to assist small businesses to get into, and remain competitive in, the world export markets. The United States counterpart has a very successful sector in this line at the present time. They tell me they anticipate it will be the largest sector in their entire operation. At the present time they are able to give financing in amounts of less than $1,000 in over 100 countries in the world in respect of exporters who wish the facility.

We believe there should be guidelines established for the corporation concerning how high the ceiling should be in respect of financing in any country. There should be guidelines concerning some privilege to be given to companies in Canada which are not foreign controlled and

there should be guidelines concerning the amount of any single deal that will be entertained by this corporation.

We believe the chartered banks should be influenced and guided into more active participation in conjunction with the corporation than has been the fact to the present. The United States, the counterpart, requires in every deal a 50-50 participation with commercial banks. Our institution, the corporation, has shown no desire to do this. This corporation and this act should be reviewed in 1973 in a manner similar to the Gibson review of 1968.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. He can continue only with the unanimous consent of the House.

Mr. Stevens: I have one final point, Mr. Speaker.

Mr. Deputy Speaker: Is it agreed that the hon. member continue?

Some hon. Members: Agreed.

Mr. Stevens: I was saying that the United States counterpart enters into a 50-50 financing arrangement in respect of every deal. Finally, we believe the majority of the directors of the Export Development Corporation should not come from the public service but rather from the private sector.

• (1650)

Mr. John Harney (Scarborough West): Now, I have the green light again, Mr. Speaker. There is a certain hazard in having a seat in the "lobby of the Chateau Laurier". It sometimes happens that you are not seen although heard by the people who control the loudspeaking system here.

On this reading of the bill I have a few remarks to make with regard to the future of the Export Development Corporation, and I hope that these remarks will be noted against the time when parliament will be considering the role of this corporation again. We must realize that this particular bill has to do with only one section of the Export Development Corporation Act and not with the whole act. Unless my memory serves me badly, the minister concerned indicated that at some future date we will have a chance to look at the act again and to reconsider the purpose of the Export Development Corporation. It is against this future date, which I hope will not be too far away, that I want to address these remarks.

Before I begin with the Points that I want to make, I would like to make a remark or two in reply to a couple of the comments made by the hon. member who has just completed his speech. The NDP has been accused of being unconcerned with the workings of the Export Development Corporation, particularly with regard to the way in which it aids and abets the encroachment of foreign ownership in Canada. The point was made that the corporation tends to deal with the big companies and that therefore, since it tends to deal with big companies which in Canada are very often in foreign hands, the corporation aids and abets the encroachment of foreign ownership in Canada. This is a rather indirect and tortuous argument. I think it has been pointed out time and time again that it is difficult for the Export Development Corporation under section 29 to advance loans of any significance to Canadian industry through the medium of small companies because small companies are simply not in the business of dealing with capital exports on a large and international scale.

Listening to the speakers from the Progressive Conservative party makes one think sometimes that their view of the productive system of this country is that it is essentially similar to a nineteenth century general store. In other words, all you have to do is to help the little company in a small village and the local chamber of commerce will stop singing Rotarian songs, then somebody will charge off to Brazil or Zambia and take out contracts for capital machinery or what have you. That is not how it works at all. It gives the NDP some comfort at any rate to have to deal with or against members on the government side who are somehow in this century, rather than having to deal with members on your immediate left, Mr. Speaker, who are just beginning to perceive that the world did enter the twentieth century some 73 years ago.

At the very least we would like to tackle the problem where it lies. I am reminded of what Andrew Undershaft, the character in one of George Bernard Shaw's plays, once said about the Salvation Army: "They're great, their souls are in the right place and they are out to fight the devil, but they don't have his right address". In a sense that is what the Progressive Conservative party is up to. They are out to fight the devil, but they are knocking on the wrong door. When we come down to the question of who gets the benefits of the largesse of the Export Development Corporation, we find some homegrown enterprises of our own zeroing in for what they can get, and none more busily and effectively than Brascan Limited which is one of our very old multinational corporations. We know how big it is and we know that it is getting bigger every day.

It was pointed out clearly enough on second reading that the $26 million loan by the Export Development Corporation to Light-Servicos of Brazil was, in effect, a loan to Brascan, a Canadian owned corporation. What is striking is that Brascan has been availing itself of this relatively cheap money backed by the public of Canada while at the same time it was making rather a lot of money by itself. I want to point out here that we are not helping a small corporation in great need of funds. In the report for the last year we discover that Brascan chalked up a very respectable profit indeed. I quote from the business section of the Montreal *Star*. It might startle some members to my immediate right that some of us socialists over here read that section of the newspaper, but we like to keep up with them and see what they are doing. It reads:

> Brascan Limited has chalked up 1972 year net of $97.4 million or $3.80 per share, against $83.8 million or $3.27 a share a year earlier.

That is not bad. The profit picture of Brascan for 1972 was good. It was better than the profit picture for the year 1971 which was also good. The article goes on to read:

> Company said the increased earnings resulted from better utility income. Net electric utility income rose to $87.1 million from $70.5 million in 1971.

And where is the better utility operation to be found but in Brazil where it owns the major chunk of the electric generating capacity of that country. They have made a lot of money out of Brazil. Our own form of Canadian imperi-

alism is not to be ignored and is certainly very effective imperialism. Here is this little company, which is begging for funds, coming to the Canadian public for a substantial loan of some $26 million, while at the same time it is making rather gargantuan profits out of its operations in Brazil.

The article goes on to read:

> The high level of economic activity of south central Brazil served by Light S.A., the electric utility, is reflected in increased electric sales—22.4 billion kilowatt hours . . .
>
> Company's Brazilian investment income in 1972 was $7.5 million against $8.2 million. During the year the Brazilian investment unit took on two major new ventures—meat packing and brewing.

It is into brewing in Canada, why should it not brew in Brazil? I take it that here they are talking about brewing alcoholic beverages, not just brewing business.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but I understand that perhaps there have been some developments which will have him back on his feet in about 20 seconds from now. The parliamentary secretary to the President of the Privy Council (Mr. MacEachen) wishes to rise on a point of order.

Mr. Reid: Mr. Speaker, I have been in discussion with hon. members through the usual channels, and I think there would be a disposition to dispense with the private members hour today and to continue this fascinating debate.

Mr. Baldwin: The usual channels agree.

Mr. Knowles (Winnipeg North Centre): Agreed.

[*Translation*]

Mr. Henry Latulippe (Compton): Agreed.

[*English*]

Mr. Deputy Speaker: I understand there is agreement in the House that the private members hour be dispensed with today and that the hon. member for Scarborough West (Mr. Harney) continue his speech.

Mr. Harney: Mr. Speaker, it is a rare day when this house is caught in an act of flagrant agreement, so we should note it.

I was just going on to meat packing and brewing. Of course, we know that Brascan is involved in brewing in Canada and one of its major subsidiaries is a small firm called Labatt's Incorporated. We discover from more recent news items that Brascan operates in Brazil, and indeed has spread into meat packing in that it has taken over the Swifts (Brazil) meat operation, which again is no mean enterprise. I just want to put these points before the House so that we can understand that we are not dealing with an impoverished company, but with a very wealthy company which knows exactly on which side its bread is buttered, or at least where part of its bread is buttered, and can easily come to the Export Development Corporation for money.

● (1700)

It is interesting to see what has been happening over the past few years to the loans made by the Export Development Corporation. When I look at the annual reports for 1971 and 1972, I find some very interesting figures. In the report for 1971 we are told that the total signed financing agreements between the EDC and the country of Chile amounted to some $24.68 million. This is not all the money actually lent, but the total of the agreements entered into. For some mysterious reason which I cannot understand the total signed financing agreements, as reported for the year 1972 and before, between the EDC and Chile, or between corporations and the E.D.C. amounted to $24.67 million. I just wonder if it is possible for items to shrink. At least it is obvious that this one did, but it is not so much the anomaly in the figures which intrigues me as what has been happening to the direction in which money is lent, particularly to South America.

If we go back to 1972 and compare the moneys advanced to Chile and Brazil over the years, we find that Chile, which is a relatively small country, signed agreements with the EDC in the sum of $24.68 million, whereas Brazil up to that time had only signed agreements in the sum of $13.17 million. But in 1972 magical things begin to happen. Chile is still at the same figure but Brazil has suddenly jumped to $62.4 million. Why the shift? What happened over that period of time? Could it be that the shift in lending patterns which we witness here has something to do with the political developments on the South American continent? Could it have something to do with the fact that Chile began to expropriate with, and without, compensation some of the international corporations involved in mining and development in that country? One is led to wonder.

One does not like to look for conspirators in these things, but one can be led to believe that there may have been some influence on the EDC which said, "Look here, Chile isn't a good bet any more because it has a Marxist president, and besides Chile has done the nasty thing of expropriating or nationalizing large American corporations in Chile. Brazil, on the other hand, is safe. Brazil has a fine, stable government. It is not a very democratic government but it is a very stable government, and we are going to lend our money there. Besides, we have Canadian friends who are operating there."

While I am on this point I want to underline one thing. We must not assume that the Export Development Corporation sits here in Ottawa waiting for customers to arrive from Brazil or Chile. That is not what happens at all. It is not the corporations or companies outside North America that come up to Ottawa to ask for a loan. As we all know, this has been stated and admitted. It is a matter of fact. It is the Canadian exporting company which arranges for the financing by approaching the Export Development Corporation. So, Mr. Speaker, what we are talking about here really takes place in Canada. The important part of it goes on in Canada and not in some far away country.

The Chilean situation is a particularly interesting one because, for one thing, the natural conditions of industry in Chile are very much like our own in Canada. It is a country which depend for its well being upon the proper exploitation of its natural resources, just as we do. As a matter of fact, much of the exploitation is like our own. It is an economy which is heavily dependent on extractive industries, mining in particular, and here I mention

copper mining. We also happen to be involved in copper mining. We have a certain amount of expertise, which is fairly vaunted when it comes to our ability to develop techniques and the machinery for mining. Chile has a great need for this expertise and the capital equipment involved. We could supply it.

Why is it that a South American country which received a very considerable amount of the loans extended by the EDC over 10 years from 1951 to 1972 finds itself suddenly cut off, and another country starts to receive the lion's share? We can certainly ask ourselves a very legitimate question. Are there political considerations that enter into the decisions of the EDC? When I say political, I hope the House will understand that I am not talking about our partisan political considerations here in Canada but major political considerations having to do with the view that the EDC has of the worth and value of certain regimes in other countries. There is no doubt that there has been a major political change in Chile. And it seems to me that there has been a major change in the assessment made by the EDC as to the worthiness of Chile as a recipient of the largesse of the EDC. What I want to put before the House is really very simple. It consists of two or three points.

First of all, we should not kid ourselves that the efforts of the EDC cost the people of Canada no money. Of course, they do. The EDC lends money at a very cheap rate. It uses the borrowing ability of this parliament to advance relatively cheap money to private corporations, and of course they avail themselves of it. As has been pointed out time and time again, particularly by the officers of the EDC and the Exporters Association of Canada, it advances money for ventures which the private money market would not necessarily support. Otherwise, they would go to the private banks, the chartered banks, to get the money. But the chartered banks say, "The venture you are asking us to support is too long term, and too uncertain for us to advance the money at low rates. We would rather not be involved in that at all."

Let us make that point quite clear. We, the people of Canada, are supporting certain ventures which are uncertain, which are perhaps risky, and it is costing us something. If it is costing us something there must be a payoff; there must be a benefit, and the justification given to us by the government is that it creates jobs in Canada. But we have to ask ourselves a very important question. Does it create the right kind of jobs in Canada? Does it create the jobs in the right places in Canada? Do we not have in this country programs that have to do with ridding ourselves of regional disparities?

● (1710)

If it is the case that the Export Development Corporation lends money to corporations which use it in the central provinces of Canada and not in the less favoured provinces of Canada, it seems that it is working at cross purposes with another agency of the government and that these programs might cancel each other. Perhaps that is an indication why some of the regional expansion policies of this government did not work, if one department tries to do something and other departments are working against it, in effect. Let us lay this clearly on the line so that the next time we look at the Export Development Corporation Act we will be able to read into it certain safeguards to protect the regions of Canada which need this kind of capital investment.

The other point that I want to make is that in this country we have often made very fine commitments to the developing world and then, when the occasion arises to make great speeches at university convocations or on the hustings at election time or even addressing banquets, conferences and meetings we have made the point that aid to developing countries should not be tied to our political considerations but should be freely given with the welfare of the recipient in mind. Let us ask ourselves if any consideration of this kind is brought to bear in the act which controls the Export Development Corporation. It is not. What we have, Mr. Speaker, is an arrangement to allow for the export of capital goods, and an arrangement which permits the expansion of Canadian corporations in Canada. Related to that point again, might we not aks ourselves if one department of government is working at cross purposes with another. We have the CIDA which has fairly explicit terms of reference and is involved in more or less the same kind of operation as the Export Development Corporation, so may we not have here two departments of government whose efforts cancel each other? This is something else which should be looked at when the act is before us again.

It would not do for me to fulminate against this bill, Mr. Speaker, because having made our point we are going to support it. We have decided, however, that we will support it on the clear understanding that certain questions will have to be answered, on the clear understanding that this whole act will have to be brought back at a fairly early date and that the kind of considerations I have raised will have to be brought to bear in future. I hear a thumping from the Liberal benches, Mr. Speaker, but I think there is an interloper over there.

If this is not done, Mr. Speaker, all the pronouncements that we make about being neutral in our involvement with the developing world are false. All the statements that we want to make to the effect that we are interested in seeing the third world develop in a way of its own choosing are also false. It is all very well to make general statements at convocation time or at election time, but when it comes to dollars and cents we operate with our self-interest in mind and not only Canadian self-interest but the self-interest of particular aspects of our community.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I was interested in the remarks of the last speaker, particularly those concerning Chile and some of the antics that have been going on in the Export Development Corporation and in the practise of other branches of government as well. Some hon. members may recall that I brought this subject before the House on second reading of this bill and asked questions the other day as well. There is very little doubt in my mind that economics are obviously not the only consideration taken into account in financing the sales of Canadian products abroad. It is quite clear that there are political considerations as well, particularly the number of jobs created in Canada.

On the one hand the government tries to promote good will in Latin America. I remember that the Secretary of State for External Affairs (Mr. Sharp), with I do not know how many ministers and aides, went to Latin America a

couple of years ago. There was much partying on both sides and a great deal of goodwill. These things are fine but they cost a lot of money, Mr. Speaker. I am not objecting to that, but I am objecting to the government spending the taxpayers' money when some branches of government are negating the whole thing by a piece of foolishness such as has gone on with respect to Chile.

I am not only referring to the minister's recent tour of Latin America, but to some things that have gone on in the past, even at the United Nations when entertaining Latin American countries hoping to build up good will in that area. I am in favour of that, and I remember too that when there was a terrible earthquake in Chile a few years ago with great loss of life and property, Canada contributed a great deal of aid. Chile has noted this and remembered it. I am not suggesting, Mr. Speaker, that Canada contributed the aid merely to help build future business; I do not think that was the intention of the government or of anybody in Canada but nevertheless it did create a good deal of good will in Chile.

So, what happens? There is one firm that I have referred to before in this House whose application to the Export Development Corporation was turned down under very strange circumstances. The corporation had earlier agreed to this particular loan but later refused it. I, personally, made a phone call to find out the details and was told by a senior official of the department that it was government policy not to make any further loans, directly or indirectly, to Chile. Of course, one wonders why because in the past the record of that country has been good. We have to deal with these matters on a very sound economic basis and Chile has very little credit anywhere in the world. That is true and it is probably for some of the reasons suggested by the hon. member who proceeded me.

I am aware that Chile's credit is probably not very good but other branches of government have not hesitated to extend loans to countries like Pakistan and others of questionable political value in southweast Asia. I do not know what the purpose is here. Apparently the Secretary of State for External Affairs did not even know what was going on when I asked him this question last Friday, I believe, because he suggested it was absolutely untrue that credit was being refused to Chile. As I have said previously, one hand of this government does not seem to know what the other hand is doing. Certainly, I think the activities of the Department of Industry, Trade and Commerce should be more closely linked with those of the Department of External Affairs when loans are to be made abroad. Apparently the Secretary of State for External Affairs did not know anything about this and I think this is significant. Perhaps he would not have agreed to the sort of performance that has been taking place.

● (1720)

Sometimes, when one raises matters in this House, there is some effect. Whether what I am about to raise involves cause and effect I do not know; perhaps it may. I have learned, after making certain inquiries, that officials of the Chilean government are to be here, I believe this week, to have discussions with the Export Development Corporation and perhaps discussions at somewhat higher levels of government. They will try to arrange new terms of credit for Chile. I hope the minister can give us some further information in this regard in a few moments. The information I was able to obtain was, frankly, second hand. I was not told this by the Export Development Corporation. Perhaps what I have been told is true and perhaps the minister can give us some information in this regard in a few moments.

Is the Canadian government as sincere and honest as it says it is because, as has been noted, governments, like Caesar's wife, must not only be pure but appear to be pure. Certainly, the circumstances surrounding this Chilean operation cannot help but leave the impression, or at least make people draw the conclusion, that some kind of sleazy international interference is going on and that perhaps our government, perhaps with some foreigners, is interfering in the internal affairs of another country.

In days gone by, and I had some responsibility at that time for export development being parliamentary secretary to the minister responsible for trade and commerce, when the Cuban situation arose we never put any restrictions, to the best of my information and knowledge, on exports to that country, provided they were not in strategic materials. I do not think anybody in Canada agreed with the internal activities of the Cuban government, or with that government's foreign policy for that matter, but that did not prevent us from dealing with them.

Here, we have a somewhat different situation in that the government of Chile, or the presidenté, was democratically elected. I have received letters on this subject saying that we are helping communist regimes. Mr. Speaker, they are there and they are there to stay, wherever they may be, and no amount of local or outside interference is likely to overturn them. Now, we find that we have established excellent trading relations with China and the Soviet Union and, to a smaller degree, with the Cubans. These are the sorts of things that sometimes lead to a lessening in misunderstandings in the present world and perhaps to cooling things off, if one wants to put it that way, Mr. Speaker. However, the kind of meddling I have spoken about cannot help but create a great deal of resentment not only in Chile but in Latin American countries; and the Latin Americans, as I am sure hon. members in the House who have visited those countries will know, are sensitive about any interference or domination from any government, particularly the United States.

It seems that a great many people are under the impression that sometimes we are a kind of puppet of the United States, and when that country puts pressure on us to do things we do them. I do not think our cause in Latin American will be helped with this kind of activity. It will not be helped one bit. I hope the minister, in a few minutes, will be able to tell us that arrangements are underway to re-establish Chile's credit, or that Chile's credit has been re-established in Canada and that assistance arrangements will be entered into. I will be glad to turn the floor over to the minister, in the hope he may be able to give us some information in this regard.

The Acting Speaker (Mr. Laniel): Order, please. Before I recognize the minister I ought to inform the House that if the minister speaks at this time he will close the debate.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not plan to speak for

very long. There has already been considerable debate with respect to the amendments before us to the Export Development Act. There was considerable debate on second reading, and there was further and very comprehensive discussion in the standing committee.

I have listened carefully to the views of hon. members opposite and have reflected on the debate which started many, many weeks ago. It seems to me that many of the misconceptions which I noted in certain quarters when we debated the bill on second reading have been stripped away. There was, for instance, the misconception that the Export Development Corporation was making direct loans to Canadian firms, that is, was making direct loans to large firms and making direct loans to foreign-controlled large firms. I think hon. members will be aware, after the committee examination, that loans are made to foreign buyers for one reason: they are made when the foreign buyer wants to buy some capital goods and, if he does not buy them from a Canadian source, he will buy them from a foreign source. In other words, the purpose of Export Development Corporation direct loans is to place Canadian capital goods manufacturers on an equal footing with those of other countries.

Then, there was the question, how does the financing assist small business? To a large extent the participation of the small Canadian businessman is important. He fits in because he is supplier to the large or prime contractors.

It was also interesting to note, as pointed out in committee, that Canadian controlled firms and their employees were the major beneficiaries of these direct loans. It is true that a number of foreign controlled subsidiaries operating in Canada have, through these loans to foreign buyers, been the beneficiaries, or more accurately, their employees have benefited. Yet, 62 per cent of the value of direct loans made have been made to Canadian controlled corporations. Second, of course loans are only made to a foreign buyer if the foreign buyer's purchases include at least 80 per cent Canadian content.

I think the debate has also cleared up the misconception with respect to the ceiling. Having listened to the hon. member for York-Simcoe (Mr. Stevens), it seems that he has not yet accepted the view of the auditor general. He referred to Note 2 of the annual report of the Export Development Corporation for 1971 and again to the same item in the 1972 annual report, and he noted that the language was different. He was quite correct. The alteration made in the language was to remove, as he himself indicated by quoting the words of the president of the corporation, what might have been a misleading statement in the earlier statement. That is a correction which the Auditor General of Canada has accepted, as I believe I ought to make clear. I therefore reject out of hand what I consider to be an irresponsible statement by the hon. member for York Simcoe when he used the phrase "the first little bit of illegality". I do not think that phrase is worthy of him in the light of the evidence which has been placed before the committee.

● (1730)

Reference has been made to the credit worthiness of the great country of Chile. Concern has been expressed that loans have not been made to Chile in recognition of the fact that repayments have not been forthcoming on schedule and of the difficulties which this has created. I should like to provide more information to the hon. member for Oxford (Mr. Nesbitt) and to the hon. member for Scarborough West (Mr. Harney) on this point. I cannot give any information at the present time as to when Chile may again be a full-fledged candidate. I would hope that arrangements could be worked out very shortly so that Chile may again take its position alongside other nations.

There may still be confusion in some minds as to the role the Export Development Corporation should be playing as an agency of foreign aid. I think we should distinguish clearly between foreign aid and foreign trade. Our foreign aid agency is CIDA—the Canadian International Development Agency. This agency has made many substantial loans to developing countries. The EDC is not an aid agency. It is an agency which is supporting Canadian trade—supporting the export of capital goods manufactured in Canada. And I may say its activities have been responsible for creating roughly 125,000 man hours of employment in Canada for Canadians. It is worth underlining that a direct loan of $1 million to a foreign buyer is the equivalent of roughly 120 man years in terms of the employment impact back in Canada. As I say, over the life of the Export Development Corporation, the figure of 125,000 man years of labour in Canada can be well supported.

The debate has been a lengthy one. There has been a comprehensive examination of the subject in committee. I believe the House is satisfied that the Export Development Corporation has been doing a quite remarkable job since it was established by parliament roughly four years ago. To those who wonder whether it is as effective as it might be, one should answer, I think, that in the nature of things no agency can afford to be satisfied with its progress. There is always more that can be done. But the record will show that the volume of export credit insurance has doubled every five years and that the amount of long term financing since the 1960's has increased from $60 million to $285 million a year.

It is my pleasure as minister responsible for introducing these amendments to move the third reading of Bill C-3 now before us.

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

Mr. Nowlan: On division.

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

Mr. Reid: Mr. Speaker, I wonder if we might call it six o'clock?

The Acting Speaker (Mr. Laniel): Hon. members have heard the suggestion of the parliamentary secretary. Is this agreed?

Some hon. Members: Agreed.

At 5.38 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

FOOD PRICES

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

The House resumed, from Tuesday, April 10, consideration of the motion of Mrs. MacInnis (Vancouver-Kingsway) that the first report of the Special Committee on Trends in Food Prices, presented to the House on April 2, 1973, be concurred in.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I am glad to have an opportunity of speaking to this resolution. The last three times I have been cut off with about five or seven minutes to go, and having prepared a speech I should like to put it on the record. I should like to detail, in the short time allotted to me, some reasons why the price of food has risen substantially and to suggest some areas we might look to which, with some modification, might bring some relief to the upward spiralling of food prices.

First of all, I do not think the producers can be blamed for the rise in food costs. There are many reasons for this. For many years there has been a steady migration from the land in rural Canada. My riding is one such area. Not only has there been, in the rural areas, the natural increase in population which had to be sent off to the cities but there has also been a consolidation of many farm units into much larger farms.

Whereas years ago there were many farms producing a variety of grains, along with beef cattle, cream, eggs, poultry and pigs, there is now a much more specialized approach and many farmers produce only one type of grain or a certain type of livestock. This trend will likely continue. Large production of livestock seems to be concentrated in large herds of cattle. We have the almost factory-type, hog raising establishments. Chickens and turkeys are raised in like manner. This has certainly changed the whole concept of farming and perhaps has changed the ability of the industry to respond to sudden changes in demand.

In the late 1960s the price of food was abnormally depressed by the glut of grain in the world market, especially in Canada. The frantic attempts by farmers to diversify, aided and abetted by many governments, caused an oversupply of eggs, hogs, chickens and turkeys, with disastrously low prices. This led to demands for the setting up of marketing boards to curtail supply and thus bring about market stability. When finally the surplus of grain was sold and the world market for grain expanded, Canadian feed grains rose in price. But the situation was aggravated by a fall-off in animal protein from the Peruvian fisheries which resulted in record feed prices for protein supplements which are fed to animals. Flax and rapeseed rose in price, flax to its highest point in 20 years, due to the demand mainly for meal.

The resulting rise in food prices has caused widespread cries for something to be done. I think food prices will remain at a new high for the foreseeable future. Notwithstanding chronic concern with the high cost of meat, the per capita consumption of meat has risen sharply across the board; there has been an increase from 60 pounds per capita to 90 pounds per capita in beef over the past decade. Similar increases have been posted for other meats, such as pork.

In the current context of increasing food prices there are many forces at work in the market. A notable one is the fact that Japanese food buyers, by buying pork in the market, have raised the price to the highest point ever. We exported approximately 110 million pounds of pork in 1972, with Japanese imports increasing from 20 million pounds in 1971 to 45 million pounds in 1972. The Japanese have been buying great quantities of wool, lumber, plywood, rapeseed and pork around the world. However, since April their buying has reduced, with a resulting decrease of 20 per cent in the price of pork, a decrease in the price of lamb and a drop of 20 per cent in the price of wool. It is expected that the Japanese will come back into the market in May. This increase in buying may have been the result of enormous amounts of surplus yen which the Japanese wanted to get rid of in order not to be accused of contributing to monetary instability.

● (2010)

There are many areas which we should consider in studying possibilities in food production and food marketing. I do not think food prices will go down, because there seems to be no way that food can be produced more cheaply. If we wish to maintain the required food production we must ensure that there is sufficient manpower on the farms. We have witnessed such an exodus from the farms in the last 25 years that it seems doubtful that farmers remaining will expand their production of food to the desired limit. I think the number of Canadians still living on the farm is down to about 7 per cent. Canadians will have to be more concerned about the viability of the farming community.

The farm population at present is barely replacing itself, and it seems inevitable that further concessions and inducements will have to be made before there will be an increase in agricultural production. These inducements should take the form of recognition that payments for livestock, machinery and other capital investment in earlier years represent a direct charge on the income of the farmer. This should be recognized in our tax structure. It would create a much greater inducement for young people to go back into agriculture than the conventional way of giving large sums in loans, which results in a young farmer being in debt till he dies. The recent tax changes were very inimical to the accumulation of the capital necessary to carry on farming. For the western grain farmer, the loss of straight line depreciation is keenly felt. Also, the loss of the basic herd concept is bad, and it was only partially rectified by a recent amendment.

There is another area which I feel has contributed to the rising cost of food and has not been fully approached. This is the area of government regulations in respect of grading, and health laws. These have acted to put many small processing and slaughtering facilities out of commission. I have had experience with health authorities. Some seem to be especially vigilant and often make conditions so unreasonable or expensive that the small butcher or slaughterhouse cannot operate.

[The Acting Speaker (Mr. Laniel).]

One of the difficulties is that in areas where large slaughtering operations take place, health regulations must be rigid; but in small establishments more leeway might be allowed. Indeed, good and reasonable care is more important than elaborate equipment. I wish to give an example of this. A man who operated a small butcher's store and slaughterhouse told me he was put out of business because of grading regulations. He had to get the grader to come from 40 miles away, but could not afford to pay him the mileage involved. When you consider that those who sell meat, including chicken, must have it graded before slaughter, it is easy to see how this situation could come about.

This situation has meant the loss of local processing to rural communities. The animals are now transported hundreds of miles to the city and slaughtered, then the meat is returned to the rural community. This means additional loss of industry to the rural community and more expensive meat; and what is most important, the loss of industry occurs in the community where the livestock is grown.

Government grading may be important, but we have to recognize that it represents an added cost and the mechanics of it virtually put the small slaughterhouse out of business because of the impossibility of arranging adequate grading. The demand for protection for the consumer by grading and health regulations has markedly increased the cost of meat in small villages and has detracted from their self-sufficiency. As a result of putting the small slaughterhouses out of business, the checks and balances on large meat processing plants have been removed because there is no longer automatic competition.

Let me refer to an article in the *Globe and Mail* of April 10 which lists three main packing plant companies across Canada in which one can buy shares. This indicates that much of the industry has been centred in these three large companies. This is an important fact when we consider how small slaughterhouses acted as an efficient deterrent to the increasing charges associated with meat processing.

Mr. Speaker, I could not discuss the question of food prices without mentioning the effects marketing boards can have. Marketing boards must necessarily be restrictive in nature. They are designed to prevent overproduction. Those in charge must aim at supplying the market, and no more. Excess production is followed by a great many problems. Marketing boards tend to apply quotas. These become more and more rigid and, in the interest of so-called efficiency, tend to create larger and larger producers.

This concentration in the hands of fewer producers closes the door on new entrants, and when abnormal conditions arise with either production dropping unexpectedly or demand being greater than foreseen, shortages develop. In this regard, one must remember that on the small farm one needs a quota to produce milk, raise chickens, produce eggs, turkeys and even to raise pork. One can see how this is discouraging to anyone considering entering the industry. It is difficult, if not impossible, to acquire a quota at a specific time. This raises the question of whether, if we have marketing boards, they can manage things in a better way and how they will do so. I suggest much will depend upon the individual handling of a commodity. As marketing boards move away from the free market and are not subject to any of the normal marketing forces, the problem of supply, price and the pattern of an industry will become more difficult to manage. Part of the reason for this can be related to the lack of guidelines.

These are some of the areas in respect of which I suggest we have to be careful when assessing the influence marketing boards can exert on prices. We must ask ourselves whether a marketing board should work in the interest of the producer or the consumer, and then we must decide where the saw-off should occur. These are some of the areas in respect of food prices that will have to be considered.

Generally speaking, wage and price controls have been successful in the short term, but often they are followed by periods of rapid inflation as controls gradually begin to weaken. Wage and price controls are initially successful because of the automatic squeeze on profits. This is a difficult situation because when profits are frozen, wages tend to rise somewhat. When wage and price controls become necessary, it is important that the government should maintain a reasonable economy so that the forces of inflation do not necessarily destroy the advantages created.

Thank you, Mr. Speaker, for the opportunity of speaking on this important matter.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I avail myself of this opportunity to make a few remarks on the first report of the Special Committee on Trends in Food Prices.

I am a member of the committee and I was much concerned by the study we carried out and which was to culminate in the presentation of a report at an early date.

I can assure the House that presenting a first report after such brief sessions is quite a feat. I realized that when you begin to look into the causes behind the rise in consumer prices, attending a few committee meetings is certainly not sufficient to reach conclusions.

● (2020)

There are several causes of the rise in consumer prices and when these causes are scrutinized at the respective levels of primary production, secondary production, processing, packaging, marketing and transport, one realises that so many factors influence consumer prices that a standing committee should be created, made up of experts who, jointly with hon. members, would carry out control and research functions. In fact, hon. members should be on the committee in order to follow more closely all stages through which foodstuffs go from production to consumption.

Just to give you an idea of causes of rise in prices of farm products, for instance. People say that today the price of beef and other meats is spiraling. And they seek the reason for this at levels of production, slaughter-house and marketing. During the consideration in committee, I believe we forgot that there is something which influence even more the price of beef or other food in Canada and particularly in the province of Quebec. I refer to the price of feed grains, a factor that no one had suspected so far.

During the study in committee, there was talk about control of production, wages and consumer prices. It is very difficult to talk about control of production when we see what has taken place, for instance, concerning feed grains. We saw that western farmers were being paid for not producing any wheat. And I do not blame them because, to a certain extent in all fields, what we are looking for is maximum profits.

Everything will be sacrificed in order to maintain the price of wheat. Over the past years we saw western farmers let thousands of bushels of wheat rot on the field for the only reason that if this wheat was put on the market, this would lower the price. It is useless to say that we want to fight the increase in consumer prices if the primary producers start by saying: We must first keep a maximum price for our products, even if we must destroy half of them. Worse still, when they thought that we would have too many products, they paid farmers not to produce.

Look at what is happening in the province of Quebec. The prices of chicken and butter are going up, but farmers have been paid to destroy their production. Farmers were being paid a 90 cents subsidy for each laying hen that they slaughtered, because there were too many eggs.

Five hundred thousand laying hens were slaughtered on this basis, and now there is a shortage of eggs and prices are shooting up. We do away with the producer, and then we grumble that wholesale and retail prices are going up. We will have to be a little more logical than that, Mr. Speaker!

I was saying just now how interested I was in the evidence brought before the committee; I was taken a back by all those stupidities I heard and I wondered whether a group of 22 or 24 members of Parliament might not try to take a more extensive look at the subject, instead of concerning themselves exclusively with the profits of the dealer who is there for the customer's sake.

Also, we are today witnessing the warning of the large corporations. Chain stores, large producers and meat packers are drawing up their lines of battle. The government is all for it, even among farmers. Rather than work towards a pitched battle, it should help farmers, and family farms, by making up for the lack of funds. That would prevent the dereliction of 40 per cent of family farms, as I have seen it happen in my constituency. The same thing has happened in the West, to make way for large agricultural industries. Prices will not be decided by demand, but by the producer. You either pay up or you close down.

Mr. Speaker, this is no way to help the population. As long as we fail to examine the source of this problem, we will not do more than we did in committee: review small aspects of the problem one by one in an effort to blame the businessman, the packer or the consumer's whim. One says: the customer is too hard to please nowadays. Basically, that is true, but that is not all. The customer used to buy sugar in one hundred pound bags and it cost then a lot less than buying it in six or ten ounce packages, or in fine, extra fine or extra coarse texture. It is evident that all this is reflected in higher consumer prices but if the client or consumer cannot benefit from modern technology, I think there is no need whatsoever to insist on improved techniques, automation and electronics.

[Mr. Gauthier (Roberval).]

We recognize the existence of that evolution, we also recognize that everything costs a little more, but I believe that there is something to be done, as I said earlier, at the level of the large associations which control production, in the same way as there are controls at the monetary level. Everything is imposed upon us and, at the end, we say: It is expensive. Prices are spiralling because the government has not taken the necessary steps to check that. Far from it, the government often promotes those price increases and we can see it interfere outside the field of consumption.

Let us take the control of Hydro Quebec and Bell Canada. But the oldest members are saying: Go ahead, approve the increase, we are for it. In fact, if we truly want to protect the consumer, all these organizations will have to be closely watched. They will have to be controlled by a standing committee of the House which at all times will be empowered to summon the officials of big companies and trusts and demand from them the reasons for such increases whether at the marketing or production level.

Instead of trying to stabilize prices through demand, this committee should determine for example a margin of profit for transportation, packing and marketing. I think this could be used as a basis which, without correcting everything else, could at least give some results. Instead of relying solely on competition, we could use a benefit basis.

At the committee, certain members have suggested absolute control over consumer prices. As the hon. members have already stated, we have had enough controls during the war and no control should be imposed on the Canadian population during peace time. I think Parliament, with a devoted committee which would work throughout the year, can impose its will on those who must supply satisfactory services to the citizens and live from their industry and trade. But at the same time, I think it is possible to impose conditions which, while ensuring adequate services, would allow them to live with largely sufficient incomes. I realize, Mr. Speaker, that my allotted time is exhausted.

• (2030)

[*English*]

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, we in the Conservative party believe that this country is in the grip of a cost and inflation crisis that can only be termed a national emergency and cries out for national leadership and strong governmental initiative. Old age pensioners and those on fixed incomes in both urban and rural communities in all parts of Canada are especially hard hit, not just by food prices but by the escalating cost of all essentials, namely, shelter, transportation, health and personal care, fuel—

Mr. Reid: Energy costs.

Mr. Baldwin: High government costs.

Mr. Lawrence: —and especially the high cost of government.

Some hon. Members: Hear, hear!

Mr. Lawrence: If my hon. friends want to dispute that there are grave disparities in some sectors of our economy, disparities that are readily apparent not only geographically but on an occupation basis as well, then that is obviously up to them. Our farmers are an excellent example of those caught on the inflationary treadmill which exists today. The higher costs to farmers of all of their inputs—their fuel, equipment, capital investment, all their maintenance and running costs, even their own food costs—have grown beyond belief in the last few years. These costs have accelerated in the last few months. Even though the price at the farm gate—by that I mean the selling price by the primary producer of his raw, fresh, unprocessed product—has risen. The farmer on this accelerating treadmill has never been quite able to catch up.

However, the farmer is not unique in this situation. The fisherman, the small manufacturer, the retailer, those in the service industries—everyone is on that escalating treadmill; and the harder the individual runs, the sooner he finds that his goal of a more comfortable existence and a more efficient operation is just as far beyond his grasp. Left far behind, without the means or ability to even run to keep up, but with the treadmill working against them as against all others, are those on fixed incomes, those on pensions and the so-called working poor. Clearly, this situation has to be brought under control before further unfair disparities are created.

Against this background, and clearly because it was unwilling or unable to act in a constructive manner two months ago when conditions were slightly better than they are now, this government set up the food prices committee. Those of us on this side of the House in the Conservative party said at that time that this was an unfair and discriminatory move, that only one extremely complex industry was being singled out by the government for publicity and investigation at a time when obviously the whole consumer price index was rising, not just the food price index. We said that government action, not parliamentary investigation, was needed. We said at that time that it was a barefaced government delaying manoeuvre, and we were right.

This is why we in this party wish to dissociate ourselves from the first interim report of the committee studying food price trends. The report should deal with the whole problem of inflation, of which food prices are only a part. In recommending a toothless, awkward and obscure food prices review board as its main proposal, we believe that the Liberal and NDP members of the committee are certainly not facing the facts of life in Canada today.

Some hon. Members: Hear, hear!

Mr. Lawrence: Such a body would only be unrealistic and administratively cumbersome and expensive. But, more important, it is unreal and unfair to deal with food prices alone when the basic problem facing Canada is the high cost of government and rising prices in all sectors of the economy.

I think it might be of interest to the House, and especially to the loud-mouthed individuals to my left, to find out just how the NDP were sucked in. The hon. member for Vancouver-Kingsway (Mrs. MacInnis)—I am glad to see that she is in the House tonight—came to that committee with a preconceived idea of exactly what she wanted. I bear her no ill will for that. She wanted, and she has always wanted, a food prices review board.

Mrs. MacInnis (Vancouver Kingsway): And so has our party.

Mr. Lawrence: But the Liberal chairman—I am glad to see him here tonight also—obviously fearful of his government's inactivity and the fact that that inactivity was starting to hurt, came up with the idea of a food prices monitoring board—that was the name of it—which would have no real powers but would look at food prices, would report to the minister and would be an information gathering body. The trap was set. The NDP grabbed at the bait. The deal was made, even though the NDP had been speaking about a food prices review board which would have the power to investigate, which would have the power to make a decision and which would have the power to roll back a price increase when the board felt the increase was unwarranted. All of this went out the window. What we have is a toothless, supposedly independent board but one which reports to the minister and is dependent on the minister for funds. Some independence! It is an advisory body only; it makes no decisions itself; it has no power to make anyone do anything.

● (2040)

In my own view, the powers originally requested by the NDP would be too great for such a body in any event. But this façade as presented to us is simply a toothless body, a charade, something like Dr. Young's Prices and Incomes Commission, which is designed to give the appearance that something is being done. Nothing could be done by this group. What it did, Sir, was to suck in the NDP. It really is a monitoring board, but simply because the name was changed the NDP agreed to it and apparently are going to be agreeing to it even tonight.

It will do nothing to alleviate any price increase. It has no power. Indeed, the recommendation is so vague, and the minister's reply that "a review mechanism will be announced before the end of this month" fits in so perfectly with his equally woolly-worded response, that it is no wonder that this procrastinating, dilly-dallying government would agree with the report as presented to us tonight. The Liberals agree with it because there is nothing in it, and obviously the NDP agree with it because they are afraid to disagree with the Liberals.

I just want to say this to you, Mr. Speaker. There has been much talk around here lately about elections. If the government is looking for an issue to go to the country on, this is it. This is their golden chance, their golden opportunity. And by golly, Sir, I challenge them to do so. Look at how it fits in. They sucked in the NDP. They have got the Social Credit on their side. If they are looking for an issue in an election, why not this—a toothless, awkward prices review board? The NDP irrevocably committed themselves to it. The Social Credit has done the same. If the government thinks it is a good idea, then it has those two groups with it. We differ, and we are quite willing to meet this challenge on the hustings. If the government has

got the intestinal fortitude to back up this move, then all right, on this issue it must feel that it can clean the slate.

What is our position? Our main criticism of our colleagues' report must be that it attempts to centralize the inflationary problem as essentially one of food costs alone. This is discriminatory and unfair to the farmer whose prices have to reflect his diversified input, to the processor who has to pass along all his costs, to the packager whose final product sometimes includes a greater charge for the container than for the contents, to the distributor who has as a main expense his labour, his transportation and his warehousing costs, and finally, to the retailer who we were told works under a harshly competitive system that some of us wish explained in far greater detail.

Out of all this the Conservative party members can only conclude that the problem is not only rising food prices, but rising prices in all sectors of the economy, including the government. Food is an important and visible factor but is not the sole element in the rising cost of living. Food products are not the worst performers in today's marketplace. While food prices have increased 41 per cent since 1961, many other products and services have increased even more. For example, housing costs have increased by 46 per cent, health care by 50 per cent and local transportation by 78 per cent.

Our position is that we believe only a comprehensive, co-ordinated governmental package can adequately deal with the cost crisis this country is now in. This package must deal with an over-all economic policy. It must involve much closer liaison between government departments. It must co-ordinate and reform taxation, tariffs, transportation, agricultural and manpower policies in order to approach the problem in an over-all manner.

Mr. Speaker, we believe that, number one, there has to be a reversal of the present Turner economic, monetary and fiscal policies. Number two, there should be an immediate but temporary 90-day freeze on all income, including dividends, fees, wages, salaries and commissions, and on all costs and on all prices except food at the farm gate. We believe that during that 90-day period a comprehensive package program can be worked out. Sir, I believe my time is almost up. Therefore I move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

> That the motion for concurrence in the interim report of the parliamentary committee studying price trends in food be amended by
>
> (1) inserting after the word "be" the word "not" and by
>
> (2) deleting the period after "in" and adding thereto
>
> "and that the said interim report be referred back to the said committee with the instruction that the committee recommend to the House that
>
> (a) its terms of reference be widened to include a study of all prices and costs, and not just food prices, and
>
> (b) the government consider the advisability of instituting an immediate 90-day "freeze" on all incomes, costs and prices, exempting only the price of food "at the farm gate", and
>
> (c) the government consider the advisability of taking measures to stabilize costs in the Canadian economy and to halt the rise in the country's cost of living, after the period of the 90-day "freeze".

I make one final point. If the government, the NDP and the Social Credit party firmly believe that a food prices review board is the answer to everybody's prayers in respect of the escalating cost of living, may I point out to them that it will merely be an advisory group. It will produce only information. Therefore, why in the world are we even continuing this silly business of having a parliamentary food prices committee?

[Mr. Lawrence.]

Mr. Speaker: Order. The Chair has very serious doubt as to the procedural acceptability of this amendment. I am prepared to hear argument from hon. members, either in support of the procedural aspects of the amendment or in opposition thereto. I might say that my main reservation is that this appears to be an entirely new question, and I cannot think that that can be considered as an amendment at all. I will listen to hon. members, but I suggest they would have to do quite a bit of convincing before they would satisfy the Chair that this can be considered an amendment. Hon. members who may want to guide the Chair may, at the same time, give me any precedents that they can cite for this kind of amendment to a motion for concurrence in a report of a committee.

It appears that hon. members are reluctant to take part in a procedural debate. At the same time, I appreciate that there is a difficulty in that we are operating on a time limit and hon. members are anxious that everyone should have an opportunity to participate in the debate after which, by order of the House, there is to be a division at ten o'clock tonight. I can also understand why hon. members might find it difficult to submit arguments which would support the acceptability of the motion.

If there were any way that the Chair could accept the amendment, then because of the fact that we have been proceeding by consent, by unanimous agreement and under an order of the House I would certainly be pleased to prepare to accept it, that is, if there were unanimous consent that the amendment should be accepted despite its procedural difficulties. But I have to rule at this time, subject to discussions that may take place later between members, that this is a new question.

The motion before the House is one for concurrence in the report of a committee. Hon. members may want to go back to the original terms of reference, which are quite limited and, of course, the report which we have before us is based on those terms of reference which set up the committee. In the amendment that we have before us is an entirely new question, suggesting that the committee report be not concurred in but that the committee be instructed to consider a number of alternatives which were not referred to in any way in the original terms of reference given to the committee. For these reasons, I would think it would have to be a new question, and I do not see how procedurally it can be accepted.

● (2050)

Mr. Baldwin: Mr. Speaker, I quite agree with you: I could talk for half an hour on the procedural aspects of this amendment, but I am not anxious to deprive hon. members who have such great contributions to make. I would suggest to Your Honour that, while there may be hon. members who have slight doubt as to the procedural acceptability of this motion, their silence at this time is an indication that there is a desire to divide on this issue.

There are two issues before the House and before the country. One is the proposal contained in the committee's report, and the other is the suggestion that the committee should ask the House to recommend wider terms, including the provisions in the original terms of reference and all factors which are involved in the trends in food prices.

I think the country needs, the House needs, and even Your Honour needs, to have the House give a clear decision on this issue. I am sure Your Honour would like to know what this House feels about it and I think, under the circumstances, would accept the fact that silence is acquiesence and is, in effect, a demand that the House should have this opportunity. I could argue the technical aspects of this matter, but I would rather leave it at that for the time being.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise for only half a minute to explain my silence. When we arranged for this two-hour debate tonight, one of the things I agreed to was not to waste any time on a procedural argument even if an amendment were moved. That is the reason for my silence. I accept the views Your Honour has expressed, and if you were to ask the unanimous consent of the House to debate an amendment which is clearly out of order, I would have to say no.

Mr. Lawrence: Are you open now, Your Honour, for argument on—

Mr. Speaker: Order, please. I suggest to hon. members that in view of the fact there is agreement, we should try to complete the debate and it might be better that we do not hear further argument. I had the feeling that the amendment was out of order. It was a gallant attempt to introduce an entirely new question. There might be another opportunity for the House to consider it, and there might be a division at that time. I suggest that hon. members be satisfied with dividing on the main question, which is the one which will be put to the House at ten o'clock.

Mr. Baldwin: Mr. Speaker, I deliberately withheld making the argument that I thought I should make. I made it quite plain that I was anticipating, by the silence expressed, that there would be acceptance of the procedure. I know there is very little silence. There is so much for the other side to be silent about, but they do not often take the opportunity, especially when they are answering questions.

Let me put this to the House: Is there not the possibility that when this House considers a report of a committee, it could recommend that the committee take it back and ask for wider terms of reference? That is what it amounts to. The original terms of reference stem from the House; the House is the repository of the authority. It has been suggested by a motion—I want to emphasize this to Your Honour and to members of this House—that all the factors involved in the trends in food prices be examined. Surely the question of wages, the question of transportation costs and every factor which is involved in any way in the question of the cost of food should be considered.

What my hon. friend has done in this admirable motion is to say to the committee, "Take it back and review what you have done. Then ask the House to give you terms of reference which cover all the aspects, every concept, every element involved in the question of food prices. Do what you should do. Do what the House should have done in the first place".

I hear some rude noises from the other side, Mr. Speaker. I know that hon. members opposite are afraid to face this issue. They do not have the intestinal fortitude to stand up and vote on this issue. We think the country demands that this opportunity be given their representatives in the House of Commons to divide on the issue, and we think the committee should ask the House for wider terms of reference.

Some hon. Members: Hear,hear!

Mr. Speaker: I would indicate to hon. members that if they want to have argument after a ruling has been given, then perhaps we will have to hear argument from all sides, not only from the hon. member for Peace River (Mr. Baldwin) and the hon. member for Northumberland-Durham (Mr. Lawrence). But I realize that would be somewhat irregular. There is an hour before the vote, and if hon. members want to spend it in argument after a decision has been rendered, then that is their decision.

I appreciate the point made by the hon. member for Peace River. I think that is one of the arguments which could have been submitted in support of the amendment proposed by the hon. member, but he himself recognizes that what he has put before the House is a new term of reference and, therefore, a new question. Certainly, the House is entitled to consider a new question. However, if it is a substantive motion which is proposed by the hon. member for Northumberland-Durham, then he has to satisfy the other requirement of the Standing Orders, which is that 48 hours' notice of any new question or new motion shall be given unless the motion is proposed under the terms of Standing Order 43 and there is unanimous consent. That is why I asked if there might be unanimous consent to consider the motion, and apparently there was not.

For all these reasons, I would think it is not possible to accept a motion which in my view is clearly irregular, although I recognize well-intended, and a motion on which there might be a desire to divide. But I suggest, again, that perhaps that division should be limited to the main question. I believe there was also agreement among hon. members as to the order of speakers. I believe the agreement was that the next speaker would be the hon. member for Toronto-Lakeshore (Mr. Grier).

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I rise to support the motion of concurrence in the committee report and urge all hon. members to do likewise. The issue before us and before the committee has been a difficult, a complicated and multi-faceted problem, but I believe a start has been made toward its solution in this report. I say that partly because the report embraces the concept of a food prices review board. I recognize that in the recommendation of the report that board is to focus on the problem of food and I make no apology for supporting it on those grounds. The people of Canada have made it clear that while their concern ranges wider than the price of

food, nevertheless it focuses sharply on that question and I think it is incumbent upon this House to deal with it.

The prices review board recommended in the report is an independent board; it provides the framework upon which it is the responsibility of the government to construct, through legislation, specific and muscular powers dealing with food prices. It is true that the report does not contain any specific reference to powers with teeth, to powers for which we in the New Democratic Party have asked for some years. I must say that although members of my party on that committee tried to have established a board with teeth, we received precious little help from hon. friends to my right.

● (2100)

Mr. Alexander: Stick to the script.

Mr. Grier: However, I think it is significant that nothing this report says places obstacles in the way of the government's assuming the responsibilities that the hon. member for Northumberland-Durham (Mr. Lawrence) says that it must assume, and nothing in it prevents the provision of teeth. In her speech last week, the hon. member for Vancouver-Kingsway (Mrs. MacInnis) told us in detail what kinds of powers should be given to that board. It is now up to the government and to the minister to respond. I say to the minister that this is no time for the establishment of a token review board; this is no time to back away from this concept; this is not the time to refrain from giving it the powers for taking the action that we all know is necessary. I urge the minister not to confuse caution with wisdom. In this case, the path of wisdom lies in taking action.

The powers which we of my party have sought for this board, and which we look to the government to provide, must include the powers of effective analysis, which involves an adequate budget, an adequate staff and adequate powers to require statements, material and evidence. I must say that I had some real doubt as to whether the special committee had those powers, but let me say that the board ought to have them.

I want to see this board holding hearings in public and making its recommendations in public. We should prefer that this board be empowered to take action on its own. However, if it will sit more easily with the minister, we believe that the recommendations of the board must be made public and that the minister ought to respond to those recommendations within a period of two or three weeks. As well, Mr. Speaker, the board must have the power to suggest a wide range of action, including in specific or selected cases the power to roll back prices. It must be given the power to provide the consuming public with all the publicity which up to now it has been denied, and the power to recommend that projected price increases not be proceeded with.

I suggest that there are real advantages to the approach involving a prices review board as against the proposal of the hon. member for Northumberland-Durham. In the first case, Mr. Speaker, it is intended that these powers be exercised selectively, that is to say, in such a way as to enable swift and searching examination of specific areas of the food industry in which corrective action can most quickly and effectively be taken. It follows that the prices review approach does not penalize, as the wage-price freeze approach penalizes, the fair dealers, of which there are many in this country, and small wage earners who comprise the majority of our population. The prices review board approach does not legitimize and does not freeze the inequities which we all know exist in the system. It is all very well to freeze, but that only makes permanent the unfairness which we have already seen and which we all know exists. The freeze involves a crude, across the board measure which offers no hope for fairness or equity.

Moreover, I believe that a combination of public disclosure and, where necessary, corrective action taken by the board in a few well-publicized cases in which some element or other of the food chain, which may be a food processor or another part of the food industry, is not playing fair with the public will quickly break the so-called inflation psychology which is supposed to be abroad now and will assure the public, as it has not yet been assured, that we will not tolerate and that the board on behalf of the public will not tolerate a situation in which any element in the food chain is prepared not to play fair with the public.

The hon. member for Northumberland-Durham referred to the prices review board approach as being bureaucratic. I invite him to envisage the kind of bureaucracy required to support the wage-price freeze and the consequent policies which have never been spelled out but which have been alluded to by the hon. member. Let me say that if the prices review board involves some staffing, the wage-price freeze approach involves a gigantic bureaucracy. I think we would do well to acknowledge that we are facing a difficulty and complex problem which is not susceptible of simplistic solutions. I do not think the prices review board is the whole answer, but I believe it is a step—a most important step—in finally coming to grips with the problem of rising prices on behalf of all Canadians.

We have heard for some time from the hon. member for Northumberland-Durham and his colleagues about this wage-price freeze, but we have not yet been provided with any details of what it involves. Let me remind the House that not until the budget debate did this become the official policy of the Conservative party, when the hon. member for Don Valley (Mr. Gillies) apparently changed his mind. He talked in the budget debate about a freeze followed by consultations with the provinces which would lead, he hoped, to something which he calls cost stabilization policies. We do not know any more tonight than we knew then as to what is involved in these cost stabilization policies, or why we should expect from this nebulous process of consultation results which we have not received in the past from an equally nebulous process of consultation. The hon. member for St. Paul's (Mr. Atkey) last week talked about meaningful policies to fight inflation. Perhaps some of his colleagues know what those are. Certainly, we have not heard about them from the hon. member's party.

Ten years ago, Mr. Speaker, the then Liberal government offered this country 60 days of decision, and it took us a couple of years to recover from them. Now the Conservatives are offering us 90 days of dithering, at the

end of which we will be in the same position we are in today.

Mr. Lewis: Worse.

Mr. Grier: I suggest that it is irresponsible for a party to ask anyone to support such an empty proposal which it has placed before us in the last couple of months, a proposal so bereft of detail. It would be irresponsible for this House to adopt or support it. That proposal is so bereft of detail that, leaving aside today's high pork prices, it is far too expensive a pig in a poke. There is a vast accumulation of evidence to show that price-wage freezes simply do not work. When you take the freeze off, prices go up. Ask the boycotters in the United States, where the food boycott started. Ask the residents of Detroit who go to Windsor to buy their groceries. Ask the residents of Texas who go to Juarez in Mexico to buy their meat. Mr. Speaker, that is no solution.

This leads me to give my impression—because I want to be careful not to attribute motives in this House—of the approach taken by the Conservative party to this committee from the very beginning. As the hon. member for Northumberland-Durham reminded us, it has been consistently negative. His party has accused the government of trying to duck its responsibilities and expressed doubt all the way through as to whether the committee could accomplish anything. This negativism, it seemed to me, was carried over to their contribution to the committee itself. It was reflected, among other things, in their constant discouragement of attempts to get the committee a staff to enable it to examine the kinds of questions we all agreed needed to be gone into.

I did not get the impression that members of the Conservative party were making a serious effort to persuade other committee members to their point of view. In any event, they did not reveal that point of view in any formal way until the end of the committee hearings nor, in my judgment, did they seriously attempt to adduce evidence in support of it. I can assure the House there was very little evidence to support it.

● (2110)

Now they take the view that the government did not have a policy. So what? That is not new. But surely the committee afforded Members of Parliament an opportunity to try to construct a policy, instead of falling back on empty and sterile accusations of a political nature such as we heard again tonight. Therefore, it has often seemed to me that some members of the Conservative opposition are more interested in making food prices the political issue which the member for Northumberland-Durham promised it would be, than in trying to find answers for the Canadian people.

It has seemed to me, too, that some commentators in the mass media have shared or even fostered a general feeling of futility about the committee's work and, indeed, until a few days ago, about parliament itself. That is their privilege, but it has not made it easier to come to grips with a problem whose solution has so far eluded all Canadian governments of whatever stripe. If the accusation of futility is too harsh, I say they have encouraged an expectation that something sweeping and dramatic can be done, an expectation which in view of the acknowledged complexity of the subject is not a fair one to hold out to the public. There is no shortage of simplistic, dramatic suggestions. But are we after theatre, or solutions? For theatre, I give you the speech of the hon. member for Northumberland-Durham. For solutions, Mr. Speaker, I give you a prices review board.

If the Canadian public is expecting from parliament or from the committee, or from any party, miracles in connection with rising costs, and rising food costs in particular, they will be disappointed. None of us can offer that. But we have an obligation to try to put some fairness, some equity, some justice into the entire system under which food is provided to the Canadian people. And I am prepared to broaden this to the whole element of prices. If we can get the government to approve a food prices review board set up to take effective action, we will have taken a bigger step toward fairness in costs, and food costs especially, in the last three months than parliament has taken in the past three decades.

Mr. Jim Fleming (York West): Thank you, Mr. Speaker, for affording me the opportunity to make a contribution to this debate. Before I go further, I should like to comment on the proposal put forward by the hon. member for Northumberland-Durham (Mr. Lawrence); or perhaps I should refer to it as the amendment which was ruled out of order.

Unlike the speaker who preceded me, I shall not refer to the thespian-like qualities of the hon. member for Northumberland-Durham, but the argument was the very one which the committee faced a week or week and a half ago; and this, indeed, was the decision of all members of the committee with the exception of the Official Opposition. We felt we were given certain terms of reference and had the responsibility to follow them. It would be easy politics to go beyond them, not so much for our own party, which surely would stand with the government, but for two other parties at least. Yet they at least were sufficiently responsible to recognize the character of the terms before us and to follow through and do their best to confront the trying problem we faced. Also, in making reference to the amendment which was ruled out of order by the Chair, I should like to say that if the opposition cannot draw up an amendment, how could they possibly draw up wage and price controls and make them work effectively?

Public concern about the trend in food prices in Canada is certainly no secret. It has been ventilated in the press for many months, for long before the committee began its sessions. It is experienced by every citizen, rich or poor, from a small family or a large family, in rural Canada or in urban Canada. Weekly they go to stores and in most cases when they buy food products they must pay cash. When there is the kind of inflationary trend which the entire western world faces, nothing focuses more on this problem that we all must try to cope with, and all parties are honestly, in their own way, making an effort to do that or suggesting ways in which they feel it should be done. But surely there is no more central focus than when people go to buy food and see prices creeping up. No one denies this, certainly not members on this side of the House.

The committee held intensive meetings, between four and five meetings a week for more than two months. I am

sure all members can appreciate the workload involved, especially since all sorts of other committees were meeting in an attempt to meet problems facing this country and to resolve them. It is a very heavy workload shared by members on all sides of this House. To say that a committee of this kind if futile begs the question. All countries in the western world have tried desperately to find a solution, but none of them has yet done so. Surely, the concentration shown by the members of the committee represented an honest effort, and I believe the recommendations the committee made were the very best possible in the time allowed. It was certainly not a futile exercise. We did learn some hard facts, and this is what I should like to discuss in the next few moments.

First, wage and price controls. We had before us during those intensive meetings over a period of eight or nine weeks representatives of anti-poverty groups, consumers' associations, of labour and business. There were wholesalers and advertisers and, in addition, representatives of government. And not one of those people who appeared before us suggested the solution they wanted involved wage and price controls. There were one or two witnesses who said perhaps price controls were the answer. They said, "Price controls, but we know that won't work; it must be both". Sitting on that committee as well as ourselves were members of the Official Opposition. Not one of the representatives of the groups I have mentioned advised us that wage and price controls were the answer. Even if it were within our domain to do so in conformity with the directions given us by parliament, how could we possibly come forward, as a responsible committee, with a recommendation of that kind when not one group said we should?

Wage and price controls have been tried in two countries to which Canada is very close. They have been tried in Britain and they have been tried in the United States. In both cases they have been hopeless failures. In Britain they have led to massive strikes. They have forced the nation almost to its knees already, economically, and placed it in jeopardy not only internally but in trying to compete in world trade. If that is a problem in Great Britain, with its small size and heavy concentration of population, imagine what would happen if there were similar repercussions here in Canada, with our small population and vast territory, particularly since we depend so heavily on trading and exporting in order to survive while maintaining our standard of living.

In the United States the attempt to control prices on a temporary basis was a hopeless failure. The three-phase system is now in its first phase. When the controls were lifted only a month or so ago, we found that in fact the consumer price index for food had risen, not by fractions of a point but by four points in one month. Yet the Official Opposition suggests that temporary wage and price controls are the answer. They should know better. It is a phrase which might easily appeal to a public which is preoccupied with its personal affairs, jobs and families, and which cannot find time in which to stand back and study the situation in depth. But anyone who has even a shallow knowledge of the subject knows that price controls of this kind cannot work and that we should not jeopardize the nation by doing anything as irresponsible as adopting them.

[Mr. Fleming.]

A temporary freeze of the kind suggested could give rise to a number of other repercussions which would be extremely serious. Later in my speech I will touch upon the real hardship caused by high food prices to people who must live on fixed incomes, people with large families, to people living in poverty, compounded by the constant inflationary factor we face. One difficulty is this. If wage and price controls are imposed on a temporary basis, the primary producer might well be encouraged to withhold supplies. This might have the effect, later, of forcing up food prices still further.

● (2120)

Who are the people who would not be able to buy these goods if they were being sold on the black market illegally? Why, the poor, those with large families and those on fixed incomes. So, Mr. Speaker, I cannot think of anything more dangerous or irresponsible, anything that has less backing in world experience or which our committee heard more opposition to, than wage and price controls.

When you suggest that you can have wage and price controls but that you do not apply them at the farm gate, that again is a facetious argument. Because if your control begins at the top, it will work its way down to the bottom. The middlemen will say to the farmers; "We don't have the money to pay your prices", and this will hurt the farmers. It just does not make sense.

In our arguments before the committee and in our discussions it became obvious that part of the increase in the cost of food in Canada in the last year has indeed been a result of increased prices paid to the primary producers. But members on all sides of the committee agreed that that was not unfair. If there is any group in Canada that earns less or has a lower average income than any other, it is our farmers. Our farmers work long hours. They are dedicated people. In fact, they represent the principle on which this land has been built. So I do not argue, and I do not see how anybody else can argue, that they are receiving more money unfairly, even if it is reflected in the increased price of food.

With regard to the processors, because of the time limit that was put upon the committee to bring down an interim report, we were only able to talk with associations. I am satisfied that we do need more discussions with these groups, and I believe that this is in the making. The processors argued, and all evidence before us suggested, that their profit margin was somewhere between 1 per cent and 7 per cent. That certainly is not a profit margin that is considered excessive.

In the case of the retailers, their actual net profits range between 1 per cent and 1½ per cent and that certainly is not acceptable although I do believe there are many problems, which I will talk about in a minute or two, going on at that level which may in fact affect food prices.

There are several areas involved here. Volume discounts are one area which I hope the special or independent review board will consider. For instance, I know one wholesale company will offer, according to the volume taken by the retailer, as much as 15 per cent discount. In shipping and selling their goods to retailers in Canada, if those large retailers make up the principal part of the people they are selling to, you can imagine how that 15 per

cent discount in fact disadvantages the small, independent retailer. In fact, it may bring about pushing that person out of the market place, and meanwhile still be reflected in higher food costs to the general public. Then there are cash discount payments. In other words, if large retailers will pay their bills immediately to the wholesaler, they are given a discount. Yet in practice, even when they get this discount they do not pay the cash on time. There are advertising gains and exchanges so that you have a few people in the market place competing against each other, each of them forced by the other to stay in this very expensive game of grabbing public attention. The price of this may well be passed on to the consumer unnecessarily.

There is also the simple kind of business scheme, bonus trips based on amount of sales, and costs like that which run up food prices. I look forward to investigating that in the committee, and hopefully the independent review board that I am optimistic the government will appoint will also examine the situation.

We have also learned there are world shortages of food commodities. There is especially a very high demand for feed grain, grain and beef and these are all interrelated. People are willing to go out and buy steaks, not only in the United States to which we export a considerable amount but here in Canada, for $9 or $10 a time. This simply means that there is both demand and shortage. It takes three or four years to increase your stock of beef. Prices increase and people on limited income and large families in the poverty area simply cannot have that part of their diet which is nutritious.

We have seen Canadian incomes go up in the past five years some 50 per cent. I can remember that there was some discussion in this House at an earlier time about the fact that taxes have gone up in the last five years. So they have. But higher taxes reflect the fact that incomes also have gone up 50 per cent. Instead of people spending about 25 per cent of their income on food, as they did five years ago, they now spend about 19 per cent. Those higher incomes have gone to people along the food chain, as they should justly. All of this is reflected in higher prices.

Transportation costs have gone up for all of us, the producer as well as the wholesaler and the retailer. This is a general trend. But our real crisis is for those people, the poor, the large families, the people on fixed incomes, where increased costs have not gone from 25 per cent to 19 per cent but perhaps from 40 per cent to 45 per cent. This is a very real crisis indeed, and I think the government must face up to it.

I would like to note, before talking about several areas where it has been faced up to, that the party opposite sitting as government in another House, where apparently there is such concern for the poor and those on fixed incomes, has deemed it proper to impose a tax upon one of the largest populations and wealthiest provinces in this country which will hit hardest those people with the least money. This is an energy tax which they claim will eventually not be visited upon poor people. We have a system difficult to understand, and especially the poor have difficulty understanding it. I remember how we were attacked for our tax forms. I say it is the most regressive action I have seen by a provincial government for a number of years. I have followed the course of events as a journalist, and I do so now sitting as a member of this House.

In contrast to increasing a sales tax which hits hardest at the poorest, imposing an energy tax which is a regressive tax on a basic service, the government has attempted to take strides in certain directions. I think they have taken some very positive strides. There is always more to be done, of course, but we have increased pensions, and raised the exemption level for income tax. Hopefully, we will soon have an announcement from the Minister of National Health and Welfare (Mr. Lalonde) regarding family allowances and other general plans to help the people in this country who need it most.

In conclusion, Mr. Speaker, may I talk briefly about the committee's recommendations. The review board is not the "be all and end all;" it is not the final answer. But it is a chance for people, especially those who pay cash for food, when they see something they think is wrong to go to somebody and find out whether it is wrong or not. It is going to be part of an education process. It is also, hopefully, going to be a part of finding out who the offenders are and where they are. It is a chance for government to be answerable to people and for a responsible group to say, "yes, that is fair," and, "No, that is not fair."

The members of the NDP have some concern about putting teeth into legislation. The members of the government party felt that to pass a resolution or to put forward recommendations to be brought back to this House to roll back prices simply does not make sense. You simply cannot handle this problem legislatively the way our country is set up.

An hon. Member: Why?

Mr. Fleming: Because of the constitutional breakdown between municipal, provincial and federal responsibility. I say it is just not possible, and I have yet to hear any constitutional expert come forward and say it is possible. If that is the stand of the NDP, I invite them to bring this person forward so he can tell us about it. If we are going to have a review board, and if it is going to be effective, then I am pleased that within the recommendations is the suggestion that there be an opportunity given to the review board, whether through the vehicle of a standing committee or a special committee, at a hearing open to the press, to focus attention on those offenders and exert in this way leverage upon them to fall back into line. With this kind of publicity and confrontation, in the business world you just do not fight it; you back off.

In conclusion, Mr. Speaker, may I say that the nutrition recommendations—

The Acting Speaker (Mr. Laniel): Order. Although the Chair might find itself ready to listen to the hon. member, other hon. members wish to participate, and in view of the limited time I do not think I can give the hon. member an extension.

● (2130)

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, at the end of this debate, I should like to make a few remarks after having heard all kinds of views, mostly divergent. I care-

fully listened to several speeches. At one time. I became aware that hon. members were saying that Progressive Conservatives did not make any contribution, that Liberals did not have any new ideas, that social Credit did not have any serious propositions to make and that the NDP was satisfied with saving the government's life.

Mr. Speaker, what is important is not to discuss the particular subject under consideration, namely the report of the special committee but, perhaps, to wonder why we had to set up this committee, why the government or hon. members were lead to recognize the importance of the committee and to what extent the committee will suggest anything concrete and worthwhile for the consumers. I know that Canadian consumers are very worried and expect this committee, a creation of Parliament, to suggest corrections. the committee made the following recommendation:

> That the government give consideration to the advisability of introducing the necessary legislation to establish an independent Food Prices Review Board equipped with such powers as are necessary to review prices, and that it report to the Minister of Consumer and Corporate Affairs.

The hon. member who had the floor before me declared that we were not to expect this committee to have the powers to bring back the prices of past years. Then it seems that there are doubts about the efficiency of the committee, that one wonders if the consumer will finally benefit from decent food prices. Surely, all essential products could be affected.

As I said a while ago, why is such a committee necessary today? I do not think that I am wrong when I say that almost everybody expected the difficulties now facing us. And this does date back to yesterday; I think that even the government realized the danger when it referred to the fight which it has led against inflation for five years. there was therefore a danger. It was impossible to solve the problem due to a lack of proper measures, but this brings up today to recognize that as far as food is concerned as well as in all other fields, appreciable increases occurred as a result of hundreds of factors. I will be brief but will surely not be so bold as to say that this government is responsible for that problem. Surely, some circumstances and reasons explain why prices have increased. On the one hand, it will be said that this is because of the unions and on the other hand, that this government did not apply adequate measures.

We must still recognize that we are in an extremely difficult situation, and this is why the committee is prepared to make recommendations to the responsible minister. We recognize also that we are all in the same mess because of a host of factors, and later on, of course, we could blame Tom, Dick or Harry.

What matters for the consumer is to find a solution. I remember that, the other night, the hon. member for Louis-Hébert (Mrs. Morin) said that the committee would have to check and analyze, for instance, the often misleading publicity aimed at the consumer. I think that this is one of the excellent recommendations that the committee has retained. And I think that in such a field much need to be done. Moreover, it is what were doing those who some time ago were in favour of the inquiry on advertising which often prompts the consumer to spend much more than necessary.

[Mr. La Salle.]

On the other hand, I think that people expect results from that committee. and it is important to ask ourselves what exactly will be its powers and if it will limit itself, for instance, to making recommendations to the minister?

Will they be as decisive as they were about the Bell Canada rate increases? Will the committee that studies this question even report on why prices have gone up? I suspect that the consumer will be justly disappointed.

I therefore think it is important for the committee to have the power to look into the reasons behind the price increases, but if someone at a higher level decides to say no to that, whether because the reasons are inadequate or because of an increase that is excessive for the consumer, that will be that, and things will not go any further.

A suggestion by the Progressive Conservative party, namely a freeze on food prices, and a general price freeze, was rejected out of hand. This suggestion, which deserves some attention, might have been submitted to the government—I know that the government looked into it in any case—and they could have imposed a price freeze two years ago.

With regard to the 90 cent hind quarter of beef, large companies selling meat would certainly be glad to see prices frozen at that level. I consider that it would be doing the consumer a disservice to freeze prices now, without undertaking to bring them down to a reasonable level.

We have no right to reject this suggestion without giving it serious thought. We know very well that a 90-day price freeze might be acceptable without there necessarily being a wage freeze, but we also know that a long term price freeze would bring about a wage freeze.

There are all kinds of difficulties involved, but how can the government reject such proposals without examining them thoroughly, when it has found no way of stopping abrupt price increases that are putting the consumer in real difficulties? And the proof of this is that the government is relying on that commission to improve the prevailing situation.

I also listened to a proposal made by the hon. members belonging to the Social Credit Party of Canada, involving compensated discounts. At first sight, that concept might fascinate the consumer because of the prospect of reimbursement to them of 25 per cent of retail prices. But nothing was said of the way in which such a compensated discount can be granted. We know quite well that if the government implemented such a policy manufacturers and dealers would naturally take the biggest bite into the cake.

The retailer would therefore be far from receiving the 25 per cent discount proposed by Social Credit. I therefore conclude that consideration of a measure involving so many problems is premature as far as benefiting the consumer is concerned.

In view of the government's position, we must fall back on the committee and rely on it to a great extent because it will be able to scrutinize prices and make recommendations.

In the circumstances, the public is clearly expecting action. It recently reacted by boycotting prices, refusing to buy some types of meat. This action did have some influ-

ence and, of course, is distasteful to many. It is also fraught with the danger that, in the long run, this would result in prices rising still more as dealers could readily, in view of such instability, transfer their business or dealings outside Canada.

Therefore, this reaction from the public is quite justified, because they feel they are being exploited to a certain extent by dealers or by methods likely to increase prices. Well, the retailer is not necessarily the one who makes the biggest profit with these prices which have reached an intolerable level.

I expect a lot from this committee and so does the consumer.

I admit that all the problems we have had during the last few years, though they were expected, could not be avoided. As a matter of fact, I wonder whether this committee will reach the objective and I hope it will get into action without delay, and make recommendations so that the minister may take efficient steps to prevent this increase. And I think that the solution we are looking for and that no one has found to date is to bring prices back to a reasonable level on par with consumer income.

I suggest that this is our aim. And of course this will require much co-operation from all hon. members and understanding between parties. We will have to aim at a common objective for the sake of society rather than restrict ourselves to criticism. I admit nevertheless that each hon. member tried to make his own contribution. Perhaps some hon. members showed too much partisanship but, in general, I suggest that they have tried, by giving their views, to find a solution likely to safeguard the consumers' interests.

I therefore hope that the committee, in view of the difficulties which we know, will bring something positive to consumers. And the greatest deception which could befall consumers would be that the committee, which is now being publicized in every newspaper, and that study, which is being made by Parliament, would have no aftermath, for the consumer still has great hopes. Yet that is what would happen were the committee to confine itself to recommendations which would not result in efficient measures.

● (2140)

[*English*]

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, even at the best of times, even when there is no inflation, unemployment or poverty the price of anything is always too high in the opinion of some people and too low in the opinion of others. To the farmer, for example, the market price of his produce is always too low and the wages he has to pay his hired hands are always too high. To the hired hand the wages he receives are always too low and the prices of the groceries he must buy are always too high. It seems that even in the best of times no one is ever satisfied, but that is human nature. Because we do not live in the best possible circumstances but live at a time and place in which the government has been causing considerable inflation, unemployment, and poverty, the Canadian people are highly dissatisfied, and rightly so.

Food Prices

Last month in a debate in this House I mentioned some of the ways in which a government can cause unemployment and poverty. The Canadian people are completely justified in complaining about these policies and demanding the eviction of the government that sustains them. The Canadian people are also very upset about this government's inflating the money supply to fill its budget deficits and thereby causing a terrible inflation of prices which affects not only the price of food but also the prices of land and housing and in fact of all consumer goods. During the housing debate, when the rising prices of land and housing were discussed I put the blame for the paper money inflation where it belongs, on the federal government and its Bank of Canada. But this government does not listen and it continues to inflate the money supply, as evidenced by the Bank of Canada's own figures in its weekly financial statistics.

Both parties of the coalition government say that they want to force manufacturers to disclose more information about their products. Perhaps the government should print a disclosure on its own paper money which would warn the holder that its future value is questionable. Perhaps some hon. members think I am not serious when I warn of the dangers that lie ahead on the government's course of paper money inflation. These hon. members should study history. Then they would see what disasters paper money inflation has brought. One example is the destruction of the French economy after the paper money inflation that began in 1789. The collapse into chaos led to the rise of Napoleon who, despite all his vices, learned from the very conditions that brought him to power never to tamper with the soundness of his country's money, which was gold coin. More recently we saw the destruction of the German economy after the paper money inflation of 1923. The collapse into chaos and the rise of Hitler who, like Napoleon, unfortunately enjoyed the support of the people because the people considered even these dictators preferable to the chaos that followed the paper money inflation and economic collapse.

Genuine Conservatives can rarely find points of agreement with Lord Keynes, but I have found one. In 1919 Keynes wrote:

> There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose.

A similar remark was attributed to Lenin to the effect that the best way to destroy the capitalist system is to debauch the currency. We must learn from history. We must stop this paper money inflation before we too relive the disasters of the past.

This is part of the problem of high and rising food prices. The other part of the problem is monopoly. Before I say very much about this I should perhaps define the word because many people are confused about its meaning. Lord Coke's definition of monopoly is most clear. He said:

> Monopoly is a grant of special privilege by the state, reserving a certain area of production to one particular individual or group.

In a paper entitled "1776 to 1984: The Decline and Resurgence of Monopoly", Yale Brozen, professor of business

economics at the University of Chicago, elaborates as follows:

> When Adam Smith wrote "The Wealth of Nations," there was no doubt in the mind of anyone that monopolies were the result of governmental power. Few felt they could flourish absent government support . . . They were difficult to maintain despite the use of governmental power. Competition kept breaking out in spite of governmental attempts to suppress it. . . .
>
> The very word monopoly was . . . a label for a special privilege granted by the monarch—the privilege of being the sole supplier of some commodity or service. The royal grant of a monopoly was usually made to the subject of a monarch who, for some reason, the monarch felt deserved enrichment, and it was cheaper for the monarch to award such a privilege than to make a direct grant from the royal purse.

Crucial to the understanding of monopoly is the realization that monopoly has nothing at all to do with the number of firms operating in an industry. It has to do with whether or not the government is restricting competition. Sometimes there is only one firm in an industry simply because that firm is more efficient than any potential competitor and continues to offer consumers lower prices than any potential competitor thinks he can match. This situation is not a monopoly because the government is not restricting anyone from entering the industry and competing with the existing firm. Anyone who is willing to bet his capital that he can operate more efficiently than the existing firm is free to try. In contrast, although there are 363 licensed taxi cabs in the city of Vancouver, there is a taxi monopoly. It is a monopoly shared by the owners of the 363 taxi cab licences, because the city government will not issue any more licences. These monopoly profits are now so high that taxi cab licences recently changed hands at $30,000 each.

Some time ago this federal government introduced a so-called competition act which, it said, would bring greater competition and thus benefit consumers. If a private enterprise were to make a statement as outrageously false about one of its products, all its directors would go to jail. The competition act would not have repealed the Vancouver taxi monopoly or any other monopoly anywhere in Canada. If passed, however, it would have given the government arbitrary powers for which there is no place in a society supposedly governed by the rule of law, arbitrary powers to enable the government to restrict competition on behalf of its friends.

● (2150)

It is interesting to note that the legislation which creates monopolies in the food industry, the Farm Products Marketing Agencies Act, specifically exempts these monopolies from the Combines Investigation Act. What is the combines law for, if the government is going to suspend its operation every time it wants to create a monopoly for some of its friends? One of the arguments that the government presented on behalf of its so-called competition act was that the present combines laws were inadequate. But it is obvious that any inadequacy lies simply in the failure of the government to respect the law. Of course, even if the government's so-called competition act had been passed by parliament, it would have had no more effect on these food monopolies than on any other monopolies.

[Mr. Clarke (Vancouver Quadra).]

In May, 1971, the Consumers Association of Canada presented a brief against the establishment of marketing boards. They said:

> From the point of view of consumers it is dangerous legislation which allows such sweeping power over a total industry to rest in the hands of a small group of people however selected, and however well intentioned . . .
>
> That a producer-controlled agency which has sought national marketing legislation because of an inability to successfully manage its own production capacity could be given control over other sectors of the food industry . . . is to consumers a horrifying prospect . . .
>
> When, however, a national marketing body, able to control all supplies of a commodity, is exempted from the provisions of the combines act, the consumer . . . is powerless to protect himself except through the time-consuming and very unsatisfactory political process. This is a situation which cannot be tolerated.

But the government ignored consumers and went ahead to grant monopolies over the supply of food. I agree with the Consumers Association of Canada that this is a situation which cannot be tolerated. The government is exploiting defenceless consumers of food in an attempt to get the vote of those inefficient farmers who want to be protected from competition.

According to an article in the Vancouver *Sun* of March 3, 1971, Gordon Hill, president of the Ontario Federation of Agriculture, called for greater controls on Canadian farm production and marketing. He said:

> Cut-throat competition just doesn't work. It's murder on profits.

I think he was referring to effective competition. Effective competition is indeed murder on profits. It's supposed to be. It is the purpose of effective competition to ensure that producers earn their profits by providing consumers with the best products at the lowest attainable price. Free enterprise does not guarantee anybody a profit. Socialism and other monopoly systems provide unearned incomes to the friends of the government, but free enterprise certainly does not.

Whenever the government interferes with people's freedom to compete in a free market, it favours one group—inefficient producers—at the expense of two groups: consumers and efficient producers. Inefficient farmers claim that they want marketing boards as a means of smoothing out price fluctuations. But planning production so as to smooth out price fluctuations is a task that is performed by the competent, competitive farmers themselves. What the inefficient farmers really want is a quota system of allocating production so that they can be protected from the consumer, who buys the best product at the lowest price and who has no interest in supporting hobby farmers.

Now, there is nothing wrong with hobby farming, any more than there is anything wrong with yachting. Some people get their pleasure out of yachting, while others prefer hobby farming. The consumer rightly objects, though, when called upon because of a quota system, to subsidizing the hobby farmer. Why should the government, by restricting competition, force the consumer to subsidize the hobby farmer any more than the yachtsman?

Sometimes we hear the hobby farmers say that they want a fair price or a fair rate of return. But there is no such thing as a fair price or a fair rate of return to the farmer or to all farmers. The more efficient farmer will

always enjoy a higher rate of return than that enjoyed by the less efficient.

What is the result of marketing board monopolies? A constituent of mine tells me that one day last year as he left Vancouver, the price of cut-up frying chicken was 59 cents a pound. A day or so later, in Los Angeles, he saw that the price of chicken was 29 cents a pound; less than half the Vancouver price. In California there is free enterprise; in British Columbia there is a chicken marketing board. By the standards of inefficient British Columbia chicken producers, California producers are unbelievably efficient. But those of us who understand economics are not surprised: ever increasing efficiency and lower prices are the continuing consequences of geniunely competitive free enterprise. In British Columbia we are forced to pay twice as much for chicken because the government denies freedom of enterprise in chicken production.

In conclusion, Mr. Speaker, there are really only two types of politic-economic systems: first, the presence of free market competition and, second, the absence of free market competition, that is, the presence of restrictions. There are basically two types of restrictive systems. The first is the state socialist system, in which the state owns the means of production and the bureaucrats and politicians own the state. The bureaucracies are protected from legal competition because freedom of enterprise is denied. The other is the corporate socialist or fascist system, in which private ownership is maintained in name but the state is exceedingly powerful. The state uses marketing boards or variations thereof to protect members of select groups from competition.

The difference between the two is that the corporate socialist system features nominally private ownership of the means of production, although final control lies with the state through the marketing board; it fixes prices and grants or withholds quotas. Perhaps the freedom of the Canadian people is presently threatened more seriously by corporate socialism than by state socialism.

In contrast, the foundation of the free system is simply that if someone thinks he can produce goods or services more efficiently than those already in the industry, he is free to risk his labour and savings; he is free to compete. Competition—to make a long story short—will result in ever increasing efficiency and lower prices.

[*Translation*]

The Acting Speaker (Mr. Laniel): Order, please. Pursuant to the special order made earlier today, it is my duty to interrupt these proceedings and forthwith put every question necessary to dispose of the motion now before the House.

[*English*]

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Yes.

Some hon. Members: No.

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

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

The House divided on the motion (Mrs. MacInnis, Vancouver-Kingsway) which was agreed to on the following division:

● (2200)

(*Division No. 22*)

YEAS

Messrs.

Allard
Allmand
Andras
Barnett
Basford
Beaudoin
Béchard
Bégin (Miss)
Benjamin
Blais
Blouin
Boisvert
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Caouette (Charlevoix)
Caron
Chrétien
Clermont
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Dionne
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Foster
Fox
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gillespie
Gleave
Goyer
Grier
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Hymmen
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Lalonde
Lambert (Bellechasse)
Lang
Langlois
Laniel
Laprise
Latulippe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lewis
Loiselle
MacDonald (Cardigan)
MacEachen
MacGuigan
MacInnis (Mrs.)
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro (Hamilton East)
Nystrom
Olaussen
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Rompkey
Rondeau
Rooney
Rowland
Roy (Timmins)
Roy (Laval)
Saltsman
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)

Food Prices

Messrs:

Stollery
Symes
Tétrault
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whelan
Whicher
Yanakis—129.

NAYS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Blenkarn
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Darling
Dick
Dinsdale
Ellis
Epp
Forrestall
Frank
Fraser
Gillies
Grafftey
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hargrave
Hellyer
Higson
Holmes
Horner (Crowfoot)
Horner (Battleford-Kindersley)

Messrs:

Howie
Hueglin
Hurlburt
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Kuntz
Lambert (Edmonton West)
Lawrence
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
Masniuk
Mazankowski
McCain
McCleave
McKenzie
McKinley
McKinnon
Mitges
Morgan
Munro (Esquimalt-Saanich)
Murta
Neil (Moose Jaw)
Nesbitt
O'Connor
O'Sullivan
Paproski
Patterson
Reilly
Reynolds
Ritchie
Roche
Rynard
Schellenberger
Schumacher
Scott
Skoreyko
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Taylor
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—90.

At 10.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, April 18, 1973

The House met at 2 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Government House,
18 April, 1973

I have the honour to inform you that His Excellency the Governor General will proceed to the Senate chamber today, the 18th day of April, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to the Governor General

* * *

HOUSE OF COMMONS

TABLING OF EXTRACT FROM MINUTES OF MEETING OF COMMISSIONERS OF INTERNAL ECONOMY CONCERNING MEMBERS' TELEPHONE EXPENSES

Mr. Speaker: I have the honour to lay upon the table an extract from the minutes of a meeting of the Commissioners of Internal Economy, held on Tuesday, April 17, 1973, concerning telephone expenses of members of the House.

TABLING OF EXTRACT FROM MINUTES OF MEETING OF COMMISSIONERS OF INTERNAL ECONOMY CONCERNING EMPLOYEES' SALARIES

Mr. Speaker: I also have the honour to lay upon the table an extract from the minutes of a meeting of the Commissioners of Internal Economy concerning revisions of the salaries of employees of the House of Commons.

Mr. MacEachen: Mr. Speaker, if I may rise on a point of order, I should like to advise the House that I will be seeking consent later this day to move concurrence in the report of the commissioners.

ROUTINE PROCEEDINGS

REGIONAL DEVELOPMENT

First Report of Standing Committee on Regional Development—Mr. Penner.

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

* * *

[*Translation*]

SOCIAL SECURITY

STATEMENT BY MINISTER RESPECTING RE-EXAMINATION OF PROGRAMS—TABLING OF WORKING PAPER

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it has become increasingly apparent that the Canadian people are questioning the effectiveness of the nation's social security programs. It was this same concern that brought the government of Canada and the governments of the provinces independently to the same conclusion that a joint federal-provincial review was called for—a review which would embrace not only what each individual government is doing in the field of social security but also what the governments together are doing.

In November 1972, the provincial ministers of welfare called for a federal-provincial conference before the spring of 1973 to establish better mechanisms for consultation on social security programs. And in January 1973, in the Speech from the Throne, the government of Canada called for a joint federal-provincial review of "Canada's total social security system", beginning in April 1973.

The government of Canada has prepared a working paper as its contribution to the launching of such a review. It is not designed to present a panacea for every weakness in Canada's welfare system. Nor is it meant as a set of fixed proposals put forward by the government of Canada to parliament and the provinces, for early legislative implementation. Rather it is designed to outline the broad directions of policy which would, in the view of the government, lead to a more effective and better co-ordinated system of social security for Canadians.

We have sought, in developing our proposals, to comprehend the whole sweep of social security policy and to develop a comprehensive, logical, and hopefully imaginative approach to this field. We have sought, too, to exercise our ingenuity in finding new, and if necessary radical, federal-provincial or constitutional arrangements, in order

to achieve the kind of integrated social security system which will best serve the needs of the Canadian people.

The framework for our thinking was set out in the five principles enunciated in the Speech from the Throne of January 4 and elaborated upon in my first speech to this House on January 11; they are here embodied in a number of propositions, in five critical strategy areas.

First of all, we are proposing an employment strategy. By removing from existing programs disincentives to seek training and employment, by improving government-provided counselling, training and placement services, and by establishing an on-going program of community employment in socially useful activities, we hope to improve the potential of Canadians who have been unemployed for an extended period of time to obtain an employment income.

● (1410)

Next we are proposing a social insurance strategy. To meet the contingencies of short-term unemployment and to provide for retirement, disability, and the support of survivors, we recommend the maintenance and strengthening of social insurance programs. In this regard, we advance two specific proposals in relation to the Canada Pension Plan which we would like to embody in legislation this year—subject to a provincial consensus. This involves an increase in the level of yearly maximum pensionable earning to $7,800 by 1975, and the removal of the ceiling on cost-of-living escalations of Canada Pension Plan benefits.

Thirdly, we are advancing an income supplementation strategy. We recognize that the earnings of people who are working may not always be sufficient to meet family income needs. This may be because of the size of the family—wage levels not being related to the numbers of children—or it may be because of the nature of the breadwinner's employment—it may be low paying self employment or intermittent work. To meet these problems of the "working poor", as they are often called, we are advancing two propositions.

First we are proposing a significant increase in the universal family and youth allowance benefit, from an average of $7.21 per child per month to an average of $20 per child per month. To effect a significant measure of income redistribution, we propose to make the new family allowance taxable—although I should point out that practically all Canadian families should realize a net increase over their present levels.

[*English*]

In the budget of February 19 we provided for an appreciable reduction of income and other taxes in order to increase the net disposable incomes of Canadian taxpayers. By this additional measure we are effecting a substantial transfer of funds to Canadian families. Such a measure will be of great benefit to people with low and middle incomes, but the greatest benefit will accrue to the working poor. This change will result in a net increase in payments to Canadian families of over $800 million in a full year.

Second, we are suggesting that where income from employment plus the higher family allowances still does not provide the family with an acceptable minimum income, consideration should be given to a single general income supplementation program. Such a program would have the advantage not only of providing more acceptable incomes to the working poor, but also of providing them with an incentive to continue to work rather than to go on social aid.

The largest groups of people, however, who do not receive an acceptable minimum income—whether from employment or social insurance—are those who are old or disabled or otherwise not employable. And there are the large numbers of single parent families—largely widowed or separated mothers with dependent children—who choose not to seek or who are unable to find employment outside the home. We suggest that additional income supplementation should be provided to these people, thus assuring them a guaranteed income.

In the case of the aged, we propose that they enjoy an option to choose between this guaranteed income and the existing OAS/GIS system. Finally, to accommodate cases of special and emergency need, we suggest a "back-stop" program of supplementary social assistance.

To make the employment and income supplementation strategies fully effective, we advance a social and employment services strategy, based on two propositions. The first is that necessary training, counselling, placement, rehabilitation, and child care services should be extended and improved. The second is that the costs of special services in areas such as nursing home and child care should be covered under the plan for those in need of them but who are unable to meet these costs themselves.

The review of the social security system upon which we are embarking is, as I have consistently stated, a joint federal-provincial venture—both the review and ultimate implementation. It is for this reason that we are setting out propositions rather than fixed proposals, and why we have not sought to make proposals concerning jurisdictional and financial divisions of responsibility.

We have, however, a general format to suggest—a flexible and creative approach to the federal-provincial dimension. This proposed format includes major innovations in the field of federal-provincial or constitutional arrangements.

First, subject to certain national minimums, we suggest that provinces should have the power to vary the levels of allowances and income supplements paid under federal programs. Within prescribed limits, the provinces would be able to reduce the allowances paid under one federal program and transfer the savings to increase the allowances paid under another program.

Second, we suggest that, as a condition of this flexibility, there should be a framework of national norms and national minimum standards to ensure a basic equity to all Canadians affected.

Finally, we propose that the entire review be completed within two years, and that the implementation of such an approach should be regarded as a three to five-year process starting from the April conference of ministers of welfare and calling for the gradual implementation over time, within existing levels of taxation, of the approach which is agreed upon. However, early priority should be given to the adoption of legislation this year for increasing

family allowances and for those changes in the Canada Pension Plan which the provinces can agree upon. It would be our hope that the increased family allowances would come into effect in January, 1974.

It must not be thought, I should like to conclude, that the launching of a critical review such as this is a sure sign that Canada's present social security system is fundamentally unsound and in need of a total transformation, for this simply is not the case. The truth is that Canada's system is one of the most advanced in the western world and that it provides a solid foundation upon which to build in the context of today's needs. For this the present ministers of welfare are indebted to their predecessors.

It is our hope that what the government of Canada has presented in this working paper for purposes of discussion will contribute to a reasoned and sympathetic debate as to how best to provide for the security of income for all Canadians.

I need not remind hon. members that I have undertaken to have the working paper referred to the Standing Committee on Health, Welfare and Social Affairs where I welcome the fullest possible discussion.

We hope that this debate will not be limited to members of parliament and governments only but that voluntary organizations and the public at large will take an active part in the discussion of our proposals, as well as of any other proposals that my provincial colleagues may want to put forward.

[*Translation*]

Mr. Speaker, pursuant to Standing Order 41(2), I would like to table the Working Paper on Social Security in Canada, in both official languages.

● (1420)

[*English*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I want to say—

Some hon. Members: Oh, oh!

Mr. Macquarrie: Mr. Speaker, I appreciate the courtesy of members on the government backbenches as I begin my remarks. I want to say that I have had a very busy hour. I have never had so much paper thrust upon me at any time since Mr. Benson launched his white paper a good many months ago. We all know what happened to that white paper and what happened to Mr. Benson.

I am glad to have had a copy of the minister's statement and of the papers, but I must say it is difficult to deal with such a vast assemblage of words in 45 minutes. I might also say that my representative was excluded from the locked-up press briefing the minister gave, a discourtesy which I did not particularly appreciate. I also understand that across the whole of the land today there will be press conferences given by representatives of the minister in various regional offices.

Mr. Bell: They are really milking it.

Mr. Macquarrie: I hope there is no lack of consideration here on two grounds, namely, that those of us who speak for the opposition do in fact speak for the majority of the people of Canada, and also that there is no loss of the balance between those who are government officials and those who are partisan people. This is a very serious matter and I will leave it there.

Needless to say, Mr. Speaker, I welcome any move which will benefit the people of Canada, far too many of whom are living on or near the jagged edge of poverty.

In separating the concrete from the vaguely projected, I salute the substantial increase in family allowances. An improvement in this area is long overdue. As a measure of income redistribution the pressing need for revision is shown by comparison with the situation in 1945 when the allowance was established. At that time payments represented 1.45 per cent of the gross national product. In 1973 the allowance represents .5 per cent, or roughly a third of what it was in the good old days of Mackenzie King, God rest his soul. Had we just kept abreast of that amount we would have had $17.40 instead of $8 and $13 instead of $6. So the figure of $20 is not overly generous. Indeed I would repudiate anyone who would suggest that it is too much. Far from it.

I trust that the minister, although he does not quite say so, has put away that administrative monstrosity introduced in the last parliament as the FISP bill. How awkward that would have been had it come into law. We would not have had this new dawn that has been visited upon us today.

If I can speak over the chortling of the Liberal backbenchers, may I say that I think this is an important matter and not one for merriment at all. It is a matter of great concern. I said to the minister on March 1 that if he would bring in a more generous bill, one which would be less an administrative jungle than FISP, we would support it wholeheartedly and expedite its passage as much as we could, and I say so again today. We will do our best to facilitate such a measure.

In so far as I detect a genuine and general thrust toward an incentive society in the minister's statement, I cannot but agree. Indeed, if I disagreed I would be disagreeing with what my party said last October. The minister states that he has an employment strategy, and then talks of government-provided counselling and an ongoing program of community employment and socially useful activities. I read that with great care. This is an area I want to hear more about. What is this new talisman for finding work? Certainly the government has not distinguished itself up to now in the fight against unemployment. I trust that we are not at this stage dreaming up some temporary make-work programs which will give the illusion of destroying the devil of unemployment that has shadowed this country for a decade. The people of Canada deserve the opportunity to have meaningful work.

By its mishandling of the economy the government has laid far too heavy a burden on the whole welfare structure in our society, to say nothing of the terrible social costs resultant from the non-utilization of the creative capacity and ability of the Canadian people.

Some hon. Members: Hear, hear!

Mr. Macquarrie: I for one want no part of any phony make-work projects which fail to challenge the Canadian

people or which will degrade them into mechanistic non-utilitarian routines described as welfare employment.

It is the right of every Canadian to have meaningful employment and it is the responsibility of government to ensure that all Canadians have permanent jobs—jobs which hold something for their future and for the future of the country. This is the kind of new deal we want; this will bring greater prosperity and opportunity than any tinkering with the welfare programs.

I agree with the proposals in reference to the Canada Pension Plan. We do need higher ceilings. I am sure that, like me, every member of this House is receiving letters from people whose payments are being diminished because of income from some other area or some other pension. That was not the intention of the Canada Pension Plan.

On an occasion like this it is always difficult to avoid that rather crude expression, "I told you so". I do not want to do that, but I am delighted that we now find enshrined in these proposals something we have always believed in, that the actual and real cost of living should be built into all these pension plans. It was a disgrace, before the shock of last October, that we had, in the face of inflation, an artificially lower increase built into our pension plans so that we were really taking it out of the old people.

For far too long in this country welfare has been a political football. I think this is one area that should transcend politics. I have no intention of seeking to win office by bribes, promises or threats to the old people of this land. I will not enter the auction room. I will not knock legislation for the sake of knocking, nor will I hesitate to commend any good move made by this minister or anyone else.

It is extremely difficult in such an expanded statement as the minister's to find precise commitments. I would have liked to know more clearly what the minister is going to do for the blind and the handicapped. I would have liked the minister to indicate that he intends to follow the example of the British parliament which has produced some splendid legislation for people who are permanently handicapped and have difficulty coping with life's basic needs.

I agree with the minister's reference to flexibility. I listened to him very carefully when he said:

> We suggest that provinces should have the power to vary the levels of allowances and income supplements paid under federal programs. Within prescribed limits, the provinces would be able to reduce the allowances paid under one federal program and transfer the savings to increase the allowances paid under another program.

Oh, flexibility! Oh, conversion! I am all for it. Had this attitude prevailed months ago we would have had a more harmonious dominion-provincial relationship in this country. I commend the minister for the following paragraph in which he says that there should be a framework of national norms and national minimum standards to ensure a basic equity to all Canadians affected. We must never lose sight of the goal and aspirations so clearly set forth by the Rowell-Sirois report many years ago that Canadians in rich provinces, small provinces, Canadians in the north, in the south, all Canadians, should expect a decent standard of social services and that they need not live in a wealthy,

large province to get that basic standard. I would advise the minister not to lose sight of that paragraph. We must have national norms.

● (1430)

I should also like to say that we do not want the development of a welfare jungle in Canada. I should like to think that Canadians can expect a good standard, an ever-improving standard. I hope that the paper we have received today will bring forth real legislation and concrete advantages for the Canadian people, and that it will not join on the book shelves all the reports of commissions that are gathering dust in all our offices. We must wait, it seems, for further discussions, further exchanges and further points of view. I say to the minister, we cannot wait too long. Too many Canadians are having it too hard to allow for such administrative and legislative leisure. I say that in so far as these measures are helpful we will help their thrust and get them into legislation. That is a commitment from this party. But in the long run, and before too long, the country must gather together all the strands of its welfare programs. We must get something that is more unified, more efficient, more coherent and more compassionate. Even if all the aims that we can see in this paper are realized, that goal will not be achieved.

So we may have to wait for a new day, for new men with new ideas. In the meantime, however, we will make the best of what the minister has brought forward. For that I congratulate him. I want to say he almost tempted me, when he spoke about family allowances, to move away from my plan of three children and try to emulate the Minister of Justice, but I think that I will need to enter into further consultations at home before I can commit myself.

Mr. Stanley Knowles (Winnipeg North Centre): October 30, 1972! What a difference that day made.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this is an important statement which has been given to the House by the Minister of National Health and Welfare (Mr. Lalonde) and we welcome it. I have already had occasion to admit that the minister is one of the few in the cabinet who has given the impression that he means business. I trust that he will not disappoint us but that he will do everything he can to see that the program forecast in this statement is implemented just as early as possible.

I am happy to underline the words the minister used when he said that our social security system in this country, for all its weaknesses, provided a solid foundation on which to build. In saying that I have in mind, in particular, the extent to which we have established universal programs. I believe that on that foundation we can build a really satisfactory and adequate system of social security.

I want also to agree with the thrust of the minister's statement, in his making it clear that a social security program has to be a co-operative effort, particularly between the federal government and the governments of the provinces.

In all the things that have been presented to us today there are just two that the minister has labelled as "to be

implemented quickly". The first has to do with the increases to be made in family allowance payments. We warmly welcome the conversion of the government back to its earlier position on universality. I well recall the castigation that we in this party took some months ago, particularly from the present Minister of Labour (Mr. Munro), because we voted against the FISP bill on second reading in the last parliament. I submit, Mr. Speaker, that that was one of the most useful negative votes that we ever cast. Our action in seeing to it that that monstrosity was not imposed upon the Canadian people, plus the election of a minority parliament on October 30, 1972, has produced now the proposal that family allowances shall continue to be paid on a universal basis, and that those payments shall be subject to income tax, as we ourselves argued in the last session, although in vain, with the present Minister of Labour.

Times without number I have contended, as have my colleagues, that there is real virtue to the principle of universality, for, it ties us together in some sort of social unity, into some sort of community, as opposed to the divisiveness that a means test or income test always produces. That was the position we took last year. I welcome this gentleman who has moved from the back room into the cabinet and who has now presented to us the old idea improved upon, that family allowances shall be universal and that they shall be in the order of $20 per month, and that they shall be taxable in the hands of those who receive them, so that those in the higher income brackets will pay back a portion of what they receive.

While I am welcoming this increase in family allowances and this sticking with an important principle, I must also say that in our view the principle of escalation should be made to apply to family allowance payments just as we make it apply to many of our social security benefits. I know that it was argued in committee last year that a small percentage increase on a small amount is not very much; however, I believe the principle is a valid one. Just as we contend that old age security payments and others should be escalated, so we think there should be a provision for the automatic escalation of family allowance payments. I say here what I have said with respect to other benefits, namely, that that escalation must not be limited simply to enough to cope with the rising cost of living. It must be an escalation that is in line with the rising standard of living, reflected in such indices as the wage index or the increase in the gross national product.

I point out, Mr. Speaker, that raising the family allowance and making it taxable could have the effect of bringing a considerable increase in tax revenues to the provinces of this country. If family allowances become taxable and if the provinces base their taxation on a percentage of the federal tax, there could be a considerable increase in provincial revenues resulting from this program. I hope that somehow or other that is tied in with the minister's thinking on federal-provincial co-operation. I am glad to see him nodding his head up and down. I hope that the extra money the provinces will get because family allowances are to be on a universal but taxable basis will be used by them for the improvements that they wish to make in their social security programs.

The other of the items announced by the minister which will be acted upon soon has to do with the Canada Pension Plan. I welcome the proposal to increase the maximum yearly pensionable earnings by 1975 to $7,800 a year. That means that in 1975, or within a year or two thereafter, maximum pension payable under the Canada Pension Plan can go as high as $1,950 a year. This is a good move. We welcome it and we trust that there is point to the minister's statement that this depends only on a provincial consensus. I was glad he did not say that it would require unanimity on the part of the provinces, but simply a provincial consensus. We also welcome the proposal to remove the ceiling on the annual escalation under the Canada Pension Plan, that escalation now being limited to 2 per cent. Again, Sir, although I welcome most warmly the minister's statement, I must say that it is not good enough just to remove the ceiling, the result of which will be that Canada Pension Plan benefits will only escalate by the amount of the increase in the cost of living. The fact is that wage standards go up more than the cost of living. The gross national product goes up even higher. The time has come for all of these escalation formulas to be based on the wage index or on the gross national product, not simply on the cost of living. The report on the war disability pension recommends this formula. We think it should be introduced in other schemes as well.

● (1440)

When the Minister of National Health and Welfare brings in legislation to remove that ceiling, in other words, to permit escalation to go at least beyond 2 per cent, I hope the same thing will be done for retired civil servants, retired RCMP personnel, retired armed forces personnel and all those who receive a pension as a result of any government pension operation.

Those are the two areas in which immediate action was promised, namely, family allowances and the Canada Pension Plan. The minister will not only have our support and co-operation, but he will have our persistent prodding to see that these things are done quickly. There is no use simply having so many words, announcements and press conferences across the country. What is needed is action.

We have already demonstrated that with a majority of members wanting this kind of a parliament to work we are able to produce more in three or four months than is sometimes produced in three or four years. We want this kind of co-operation on the part of parliament and the minister to continue. We want those things which the minister promised for immediate consideration to be dealt with without delay.

Since the other things listed are only for consideration over a period of time, I will not spend as many minutes on them. May I welcome the suggestion of flexibility for the provinces with regard to the way in which they establish social security standards for their people. The idea is good, particularly now that the provinces are more active and more concerned in this field. But, like the hon. member for Hillsborough (Mr. Macquarrie), I warmly welcome the statement that there should be norms or standards that apply right across the country and that they should be set by the federal parliament, albeit after the minister has consulted with the provinces.

There is another whole area which I most warmly welcome and on which, if I could, I should like to spend more time than I am permitted. That is the idea that social security payments should not be available only to people who do not have anything, those who are unemployed, sick or old, but that there should be supplementation available to those who are sometimes called the working poor, those who are employed but who do not receive enough to meet today's cost of living or to enjoy today's standard of living.

In so far as the minister talked about a new employment strategy and a new income supplementation strategy, he has our wholehearted support. The idea of a guaranteed annual income, the right to live and to enjoy what our society can produce, is something we must establish if we are going to build on a good foundation the kind of social security system we can build. I am completely with the minister in his innovativeness and newness of ideas in this area. Again, he will receive not only our support but our persistent prodding.

I am just about through, Mr. Speaker. I accept the fact that it will take two or three or maybe even four or five years to put all of this into effect. However, that is too long a time for some of our people to endure the poverty they are now suffering. Therefore I urge the minister to do the two things he has promised immediately, namely, to bring in the changes to the Canada Pension Plan and to the Family Allowances Act right away.

I also urge the minister to do something about our senior citizens between the ages of 60 and 65 without further delay. There are several ways this can be done. The minister must not think that because the Old Age Security Act has been amended that this will do for all time. We want a further increase in old age security, and we want pensions at 60 years of age.

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member, but I have to remind hon. members that, although this is a very important matter and we have had a very lengthy statement from the minister and very lengthy comments from hon. members, the rule is still there that comments made by members on behalf of the opposition parties ought to be brief. The remarks of the hon. member for Winnipeg North Centre and the hon. member for Hillsborough were so interesting that they appeared to be brief to some hon. members, but it is still my duty to remind hon. members of the Standing Order.

Mr. Baldwin: Stanley's speech from the throne.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I accept the suggestion that I should be brief, Mr. Speaker, but if Your Honour thinks that my remarks are that interesting, maybe I could extend them even more.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): I am just about at the end of my statement, Mr. Speaker. I started to say that we want action soon on family allowances and on the Canada Pension Plan. We want further improvement with regard to our senior citizens, both a lowering of eligible age and a higher pension. We also think there should be early action for the blind and the disabled. It is a disgrace the way these people have had to wait. If these things are done soon, the minister will have won the reputation which he has already begun to establish as a man who means business. In conclusion, I simply say, even though this comes under another minister, that we also want action soon on the basic rate of the war disability pension.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, first of all, I wish to thank the minister for sending us, at the beginning of the sitting, copy of his statement. I wish all the other ministers would adopt that practice.

Mr. Speaker, the statement of the Minister of National Health and Welfare (Mr. Lalonde) is most agreeable to our party because it deals, among other things, with the national income and the security of the citizens. If our party has shown concern in this House for any subject in the last few years, it certainly has been for social security.

That is why I should like to have as much time as the spokesmen for the other parties to make remarks on that extremely important statement. Indeed, it does not happen very often that we are in agreement with the government on the principles it sets forth before the House.

Mr. Speaker, before going into the technical aspects of the measures announced today by the minister, I should like to point out that today's statement would not have been made by this government has it had a majority. That is real proof that a minority government is much closer to the people, that it has to give more consideration to the will of the people, and that it cannot depend solely on a majority to impose its views upon the citizens.

Mr. Speaker, on page 2 of his statement, the minister says, and I quote:

> ... a more effective and better coordinated system of social security ...

I agree with the minister, but we would have preferred that more orderly system of social security to have been implemented before today.

As a matter of fact, the minister's statement tells us nearly nothing, because what it is promoting is exactly what we have been advocating in our program during the last election campaign. Indeed we have said this: Social Credit will replace the present government programs on social welfare by programs on social and economic security.

Although the figures tabled in the House today by the minister are far from representing the social security requirements in Canada, they nevertheless represent in my view an important step by the government towards the establishment of a program of guaranteed annual income. In fact, we were the only party to include in our platform during the last election campaign a system of guaranteed annual income.

● (1450)

I also see that during the weekend in Montreal the official opposition party was urged to pass a resolution on

guaranteed annual income and apparently, according to newspaper reports, it was rejected.

We have been advocating it for a long time in this House and we are quite pleased to note that the government is beginning to pick our fine administrative and economic principles to arrive to better solutions.

Indeed, those sound programs and principles could unfortunately be spoiled or destroyed by complex red tape which the minister's statement makes us foresee. It would be very bad if the best social security programs in Canada were drawn up and if the federal government made bureaucrats responsible for administering them in such a way that their aims would be competely missed.

We do not have all the details of the implementation of the social security program that the hon. minister means to propose, which is understandable, because he says that he is going to consult the provinces and try to come to an agreement with them on the details of its implementation.

Before ending, Mr. Speaker, I should like to say that it seems to me that there is more cream than cake in the minister's statement, since the minister said that the increase in Canadians' net income will be $800 million.

Incomes totalling $800 million are quite inadequate in the present economic situation if any attempt is to be made to settle the problem of a guaranteed annual income for those who need it, for Canada now needs at least $30 billion worth of purchasing power for her unsold production. If $800 million are all we have to buy a $30 billion national production, which is unsold because there is no purchasing power, I get the impression that there is a lot more cream than cake, and that the solutions that the government recommends, though very fine in their intention, will achieve very little in practice.

The minister does not say—I thought he had in his statement, for I had time to read it—where he is going to get the money for an $800 million increase in net incomes. The minister does not say he is going to get it in taxes, deficits and debts.

Mr. Speaker, when we talk of increasing purchasing power by $800 million, it is very important to know whether the Minister of Finance (Mr. Turner) or the Minister of National Revenue (Mr. Stanbury) are not going to introduce in the next few weeks direct ou indirect taxation totalling a billion dollars or a billion and a half.

To increase the gross national income, and taxes at the same time, is taking away with one hand what you are giving with the other. As far as social security in Canada is concerned, that means you have accomplished nothing, other than formulating principles to give to the House, for the minister's statement today looks pretty good; he copied some ideas from our election program, but he has not yet described the techniques that we recommended in that program.

Mr. Speaker, there is nevertheless one basic principle in today's statement about which we are pleased, namely the right of every citizen to earn a living, although we are not told if this legislation applies to all Canadians.

In fact, this is a first step in the implementation of a principle recognized by us, the individual citizen'a right to live, whatever his income or his occupation. We have been recommending it for years and the minister also recognizes it when, on page 3 of his statement, he says:

By removing from existing programs disincentives to seek training and employment, by improving placement services . . .

Mr. Speaker, we know that the whole social security system of Canada is negative and disrupts initiative. That is why, for many years, we have been denouncing it in order that an individual receiving a guatanteed annual income or welfare benefits may at the same time seek employment, which could stimulate his initiative and allow him to contribute his talents.

Mr. Speaker, to close my remarks I congratulate the minister on having finally initiated application of human principles, too late, unfortunately, but better late than never. I hope that next time the minister will come up with a formula allowing full coverage of social security in Canada, for which much more than $800 million is required, And moreover, it has not been mentioned that citizens are going to be made to pay for achieving this objective.

* * *

[*English*]

HOUSE OF COMMONS

CONCURRENCE IN EXTRACT FROM MINUTES OF MEETING OF COMMISSIONERS OF INTERNAL ECONOMY RELATING TO MEMBERS' TELEPHONE EXPENSES

Mr. MacEachen: Mr. Speaker, by unanimous consent, I should like to move, seconded by the Minister of Labour (Mr. Munro):

That the extract of the minutes of the Commissioners of Internal Economy relating to telephone expenses, laid upon the table by Mr. Speaker this day, be concurred in.

Motion agreed to.

* * *

UNEMPLOYMENT INSURANCE

TABLING OF INTERIM REPORT OF ADVISORY COMMITTEE

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as promised earlier in the House I wish now to table under Standing Order 41(2), the interim report of the Unemployment Insurance Advisory Committee.

* * *

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

On the order: Motions:

April 4, 1973—Mr. Howard.

That the second report of the Standing Committee on Indian Affairs and Northern Development, presented to the House on April 4, 1973, be concurred in.

Mr. Frank Howard (Skeena): Mr. Speaker, inasmuch as this is the day for unanimous consent on motions, and

since I am sure there is a desire to clean up some business before the Easter recess, I wonder whether, by unanimous consent and without debate, this motion could be put.

Mr. Speaker: Order, please. Is the hon member for Hamilton West rising on a point of order?

Mr. Alexander: Mr. Speaker, I may be out of order in view of the fact that the report by the unemployment insurance advisory committee that is to be tabled has not yet been tabled, and therefore if there is a point of privilege to be raised it may have to be raised after the paper has been duly tabled.

I have just been advised by the hon. member of the NDP who is the spokesman in terms of the rules that the document has been tabled. My point of privilege is this, and I think it is one that affects all members of the House. As far as I am concerned, the directive that went out to the advisory committee of the Unemployment Insurance Commission gave instructions in no uncertain terms to look into allegations of questionable conduct, abuses of procedure and harassment of claimants. I have not had this report too long, but as I read it it seems to me that the advisory committee has not done a job that I can find acceptable without raising a question of privilege. Let me refer the House to the second last page on which it is stated:

● (1500)

The committee has, therefore, completed its review of the benefit control program, based on the evidence received from the officers of the head office of the Unemployment Insurance Commission.

I would now refer to page 1 of this document. I am embarrassed inasmuch as I do not want to quibble with those who have attempted to discharge their duties, but it appears to me, and I use this phrase advisedly, an attempt is being made to perpetrate a whitewash job on this House this afternoon.

Some hon. Members: Hear, hear!

Mr. Alexander: On page 1 of the report we find this statement:

The committee convened in Ottawa on March 13, 1973 and again on March 19, in Montreal to interview and examine various officials of the head office of the Unemployment Insurance Commission in order to review the procedure carried out by its benefit control branch and to touch briefly on related matters.

This whole matter came about as a result of problems that existed in the city of Toronto, but I do not see the city of Toronto mentioned in this report. The three referees in the city of Toronto were primarily the ones who made this complaint, and it is in that area where the trouble began.

Some hon. Members: Order!

Mr. Alexander: Just a minute. I am speaking to a question of privilege, and I think I have a very good one because I say this is a whitewash job.

Some hon. Members: Hear, hear!

Mr. Alexander: The minister stood in his place on several occasions when questions were raised in respect of particular areas of abuse and said the committee was looking into them. When reference was made to the city of Toronto and the complaints of the three umpires there, all appointees of labour, as I recall, the minister said the committee was looking into these matters.

On another occasion there was an incident drawn to the minister's attention in respect of a storefront social agency which had indicated that benefit control officers were using language that was detrimental to the claimants. The minister is shaking his head, but I recall very distinctly what happened.

Some hon. Members: Order!

Mr. Speaker: Order, please. While the hon. member is catching his breath, perhaps I might say a word or two. I have some doubt whether this is a question of privilege. The hon. member claims it is a good question of privilege. In my opinion the statement the hon. member is making to the House now is more the type of statement or comment made by hon. members following a ministerial statement being made to the House. Obviously, the hon. member is not satisfied with the contents of the document tabled by the minister. However, if there is a question of privilege the hon. member should indicate to the Chair as soon as possible in what way he thinks there is a question of privilege in order that the Chair may decide whether we ought to have a debate this afternoon on the point raised by the hon. member.

Mr. Alexander: Mr. Speaker, with all due respect, in terms of establishing a prima facie case of privilege before this House I must be allowed to continue. My question of privilege is based on the fact that the advisory committee has not discharged its responsibilities as contained in the terms of reference, unless I have badly misread those terms of reference.

If I have the consent of the Chair, I should like to direct the attention of the House to what is stated on page 2 of this report:

The discussions and interviews were open and frank and the Chairman and his officials are to be commended for their unreserved co-operation in answering all questions and providing up to date data and statistics.

Where is there any reference to the referees in Toronto who started this whole thing?

Some hon. Members: Order!

Mr. Alexander: That is what I am asking about, and those members over there can yell all they want. On page 5 of the report—

Some hon. Members: Order!

An hon. Member: There has been no order in this place this year.

Mr. Speaker: Order, please. I suggest to the hon. member that he is not acting in conformity with the traditions of the House. I suggest that the hon. member has a grievance, legitimate or otherwise, and is using a question of privilege as a guise under which to make a speech on a point of substance to the House. If this were a rule of the House, I suggest to the hon. member for Hamilton West and all hon.

members that that kind of complaint or grievance could be found every day and we would spend the entire time of the House considering presumed or suggested questions of privilege.

If the hon. member feels there is a question of privilege, he should make his point as quickly as possible. He has before him a document and has referred to certain pages. I understand he has now reached page 5 where there is another statement to which he takes exception. My interpretation of what he has said up to now is that he may have a complaint, but I still do not see how this can be considered a question of privilege that ought to be referred to a committee or investigated by the House, or that should be the subject of a debate this afternoon.

Mr. Alexander: With all due respect, Mr. Speaker, you know I always abide by your rulings, but this is an extremely important matter which constitutes a question of privilege. If this were a general investigation implemented by the government I would have to sit down, and I will do so in any event if you suggest I should. But this was an investigation carried out as a result of specific terms of reference which called not only for an investigation of one side of the question but of both sides. My point in respect of this report is, Sir, that it seems to me only one side of the matter has been investigated. That is my question of privilege. I am sure hon. members would like this to be a fair report, but I must say that the report is unfair and misleading to the House. This is so because when a report is tabled and no one stands up to question it, it is immediately put out on the street and everyone thinks it is all right because the members of the advisory committee have investigated the situation. I say they have not done so.

Some hon. Members: Hear, hear!

Mr. Alexander: With all due respect, Mr. Speaker, I suggest that the advisory committee has not investigated the whole situation. I do not want to abuse the rules of the House. I did yesterday because I was carried away, but in this case I believe I have every right to bring this point to the attention of hon. members.

Yesterday the minister, for the first time, referred to disentitlement rather than disqualification. Hon. members apparently did not catch the drift of that. I know how it started but I will not point my finger at the hon. member who wanted it cleared up. There is a vast distinction between disentitlement and disqualification. We did not ask for an investigation in that regard; the advisory committee was not asked to make such an investigation. I suggest that is very clear.

I think I have made my point, Mr. Speaker, and I wish to thank you for the indulgence you have shown to this point. I do believe that when the government requests the advisory committee to look into allegations it should look into all the allegations, as the minister said it would. I respectfully suggest it has not done so. In view of the terms of reference, the least the advisory committee might have done was study both sides of the matter, and particularly those complaints in the city of Toronto which initiated the whole matter.

Mr. Speaker: The hon. member has risen on what he considers, with respect but very strongly, to be a question of privilege. I have not been convinced that it is a question of privilege. In accordance with our practice, the minister or another member to whom the question of privilege is directed is allowed to comment. I have no objection to the minister commenting now, although I doubt that whatever he may say will change my view as to whether this is a question of privilege.

I would hope that we might try to get on with the business that is before the House, which I believe was a motion by the hon. member for Skeena. It was somehow sidetracked. The minister is seeking the floor and I will recognize him. I will then recognize the hon. member for Skeena who had the floor before this suggested or alleged question of privilege was raised. For the moment, I will recognize the Minister of Manpower and Immigration.

● (1510)

Mr. Andras: Mr. Speaker, on a question of privilege, point of order, or whatever you want to call it, I find that the most incredible, the most significant and most interesting omission in all the bombastic rhetoric we have heard, with all these quotations from this document I have just tabled, is the failure of hon. members to read the final paragraph in its entirety, although the hon. member came close to it. I quote:

> The committee will now undertake the second phase of its study and concentrate its efforts on a review of the operations of the program, from the standpoint of the claimant, and examine the appeal procedures available to the claimants and other related matters. These considerations will constitute the second part of the committee's interim report of its review of the benefit control program.

Some hon. Members: Shame!

Mr. Speaker: Order, please. The Chair will recognize the peaceful and non-controversial member for Skeena.

* * *

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

On the order: Motions:

April 4, 1973—Mr. Howard.

That the second report of the Standing Committee on Indian Affairs and Northern Development, presented to the House on April 4, 1973, be concurred in.

Mr. Frank Howard (Skeena): With the sort of precise recognition you have just given me, Mr. Speaker, I cannot help but get unanimous consent for what I asked earlier.

Mr. Speaker: My understanding is that the hon. member for Skeena was seeking unanimous consent for the submission of his motion for concurrence in the second report of the Standing Committee on Indian Affairs and Northern Development. Is there unanimous consent?

Some hon. Members: No.

An hon. Member: Absolutely no.

Income Tax Return Deadline

Mr. Speaker: I feel sorry to have to report to the hon. member that there is not unanimous consent.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

OBJECTION TO REPORT OF COMMISSION FOR NEWFOUNDLAND

Mr. Speaker: It is my duty to inform the House that an objection signed by the hon. members for St. John's East, Gander-Twillingate, St. John's West, Humber-St. George's-St. Barbe, Bonavista-Trinity-Conception, Burin-Burgeo, Grand Falls-White Bay-Labrador, Assiniboia, Cape Breton Highlands-Canso and Dauphin has been filed with me pursuant to section 20 of the Electoral Boundaries Readjustment Act, Chapter E-2, R.S.C., 1970, to the report of the Electoral Boundaries Commission for the province of Newfoundland.

If the House agrees, I would suggest that the text of the objection be printed as an appendix to today's *Votes and Proceedings*. Is it agreed?

Some hon. Members: Agreed.

* * *

INCOME TAX

EXTENSION OF DEADLINE FOR FILING RETURNS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gordon Towers (Red Deer): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing and urgent necessity. In view of the fact that an extremely large number of people find it necessary to seek outside help to complete their income tax forms and that a number of firms whose business it is to prepare these returns have stated that they will not be able to complete all their customers returns by the April 30 deadline, I move, seconded by the hon. member for Perth-Wilmot (Mr. Jarvis):

That this House urges the government to extend the deadline for income tax returns by one month.

Mr. Speaker: Order, please. The Chair would have doubts about the procedural acceptability of the motion. Hon. members know that even a motion submitted under the terms of Standing Order 43 ought to conform with the practice of the House. Again I suggest to hon. members it is perhaps easier to ascertain whether there is unanimous consent and if there should be unanimous consent then we might consider the procedural implications of the motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The hon. member will have heard, as I did, that there is not unanimous consent with respect to his motion.

[Mr. Speaker.]

[*Translation*]

EXTERNAL AFFAIRS

RETURN OF LAND TO ARMENIANS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

It will be 58 years ago on April 24 next that 1,500,000 Armenians were the victims of a first genocide. But the treaty of Sèvres, to which Canada had adhered, provided for the restitution of their lands to the Armenians, and because the purposes of this treaty have not yet been achieved, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the Secretary of State for External Affairs, in the preparation of the Canadian position for the United Nations convention on genocide, take into account the Armenian viewpoint to recognize the humanitarian gesture of thousands of Armenians who generously give blood to the Canadian Red Cross.

Mr. Speaker: The House has heard the motion. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there such unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not, and the hon. member's motion cannot be put.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*English*]

1971 TAXATION FORMS

Question No. 45—**Mr. Coates:**

1. For the taxation year 1971, how many types of forms were available for the payment of income tax to the government?

2. Of the types of forms produced (a) what was the actual number of each ordered by the Department of National Revenue (b) who produced the forms in question (c) what was the cost of producing each type of form?

3. How many types of income tax forms are available for the taxation year 1972 and (a) who produced the forms (b) in what volume (c) at what cost?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: 1. For the taxation year 1971, there were two individual income tax forms, a T1 Short and T1 General.

2. (a) Number of T1 Shorts, including 1 Schedule, 12,593,000; Number of T1 Generals, including 5 Schedules, 3,731,000; (b) Produced by Drummond Business Forms

Ltd. (c) Cost for forms, T1 Short, $220,034.04; T1 General, $109,452.89.

3. For the taxation year 1972, there is one individual income tax form and nine schedules for the convenience of taxpayers, as well as forms for the Ontario and Manitoba Property Tax Credit. (a) Forms were produced by: Ronald's Federated Press Limited; R. L. Crain Limited; Drummond Business Forms Limited. (b) Sets of T1 Returns, 17,218,500; Sets of Schedules, 17,218,500; Ontario and Manitoba Property Tax Credit Forms, 6,392,500; (c) Cost for forms, $336,313.52; Cost of Schedules, $623,325.50; Cost of Ontario and Manitoba Property Tax Credit Forms, $26,000.00.

UNEMPLOYMENT INSURANCE COMMISSION PUBLICITY EXPENDITURES

Question No. 85—**Mr. Nystrom:**

1. What were the amounts of money spent by the Unemployment Insurance Commission on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

2. What were the names and addresses of firms or individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. 1968-69, $185,061; 1969-70, $246,458; 1970-71, $107,125; *1 April 1971 to 31 December 1971, $737,339; 1972, $142,872.

———

*The Unemployment Insurance Commission started working on a calendar year basis effective 1 January, 1972.

2. Unemployment Insurance Commission publicity and/or information is carried by the individual newspapers, radio and television stations.Information has been provided with regard to the major contracts let in the period requested, as well as the gross amounts spent on newspaper, radio and television advertising. Additional staff would have to be hired to conduct the research required to obtain the additional information. Inordinate costs and length of time would be incurred in completing this work. 1968-69: Newspapers etc., $185,061; 1969-70: Newspapers etc., $37,775; Goodis, Goldberg, Soren Ltd., 23 Prinie Andrew Place, Don Mills, Ontario, $208,683 (National Anti-Fraud Campaign); 1970-71: Newspapers etc., $107,-125; April 1, 1971 to December 1971: Newspapers etc., $159,-539; Goodis Goldberg, Soren Ltd., 23 Prinie Andrew Place, Don Mills, Ontario, $562,800 (Introduction of the new UIC Act); John Doherty & Co., 46 Elgin St., Ottawa, Ontario, $15,000 (Transitional period of new UIC Act).

3. 1972 Unemployment Insurance Commission publicity and/or information is carried by the individual newspapers, radio and television stations. Information has been provided with regard to the major contracts let in the period requested, as well as the gross amounts spent on newspaper, radio and television advertising. Additional staff would have to be hired to conduct the research required to obtain the additional information. Inordinate costs and length of time would be incurred in completing this work. Newspapers etc., $88,563; John Doherty & Co., 46 Elgin St., Ottawa, Ontario, $54,309 (Social Insurance Number, Claimants Assistance Program & Separation Certificate Information).

CRIMES COMMITTED WHILE UNDER THE INFLUENCE OF DRUGS

Question No. 447—**Mr. Hueglin:**

Is there any data collected on crimes committed by individuals under the influence of drugs other than alcohol and, if so, in each of the past five years (a) what were the number of crimes committed (b) what was the nature of the crimes committed (c) how many instances were there of each in Part (b)?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Statistics Canada is concerned: The information requested in this question is not collected by Statistics Canada.

STUDY AND CONTROL OF FRESHWATERS

Question No. 799—**Mr. Fortin:**

How many government departments, agencies or Crown corporations are working in the field of study and/or control of pollution, use, and disposal of freshwaters in Canada, such as rivers and lakes?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Several departments, Crown corporations and agencies have varying degrees of responsibility in the field of water, as follows: Department of Agriculture, Department of Energy, Mines and Resources, Department of Environment, Department of Health and Welfare, Department of Public Works, Department of Regional Economic Expansion, Department of External Affairs, Department of Veterans Affairs, Department of National Defence, Department of Indian Affairs and Northern Development, International Joint Commission (some 25 of the various international boards and commissions are concerned with water), National Capital Commission, National Energy Board, National Research Council of Canada, Ministry of Transport, Ministry of State for Urban Affairs, Ministry of State for Science and Technology, Northern Canada Power Commission, National Energy Board, Central Mortgage and Housing Corporation, Department of Finance, The St. Lawrence Seaway Authority, Northern Transportation Company, Science Council of Canada, Statistics Canada.

PENITENTIARIES—INMATES ALLOWED TEMPORARY ABSENCE ON A REGULAR BASIS, 1972

Question No. 842—**Mr. Stackhouse:**

How many inmates of federal penal institutions were allowed to be temporarily absent on a regular basis in 1972 and of these, how many had been (a) parole violators (b) convicted of (i) murder (ii) manslaughter (iii) armed robbery?

Hon. Warren Allmand (Solicitor General): Three hundred and seventy three; (a) 68; (b) (i) 31, (ii) 17, (iii) 27.

N.B. The Canadian Penitentiary Service Computer System at present does not provide for the retrieval of statistical data on inmates allowed to be temporarily absent on a regular basis. However, a survey of inmates allowed tem-

porary absence privileges on a regular basis had previously been conducted and the above figures reflect the results of that survey, as of November 30, 1973.

DREE—FINANCIAL ASSISTANCE TO RESIDENTS OF NORTHUMBERLAND COUNTY

Question No. 973—**Mr. Lawrence:**

1. What persons, companies or organizations, resident or located in the County of Northumberland, in the Province of Ontario, received financial assistance from the Department of Regional Economic Expansion in (a) 1972 (b) 1971?

2. What were their addresses?

3. What amounts, in each year, were paid to each?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Under the Canada-Ontario Rural Development Agreement 1970-75, the following companies located in the County of Northumberland received financial assistance from the Department of Regional Economic Expansion, for expanding their plant facilities: (a) Quinte Fruit Growers Limited, (b) Big A Brand Fruit Farms Limited, (c) Produce Processors Limited. The Capital Grants for Farm Development and the Farm Enlargement and Land Consolidation programs, which were jointly approved under this agreement for implementation by Ontario across a wide provincial area, also benefited residents of the County during 1971 and 1972, but details are not available to the Department.

2. (a) P.O. Box 187, Trenton, Ontario, (b) R.R. 3, Colborne, Ontario, (c) P.O. Box 100, R.R. 1, Trenton, Ontario.

3. (a) in 1971, nil, in 1972 $75,000; (b) in 1971, nil, in 1972, $17,500; (c) in 1971, nil, in 1972 $111,592.48.

DREE—FINANCIAL ASSISTANCE TO RESIDENTS OF DURHAM COUNTY

Question No. 974—**Mr. Lawrence:**

1. What persons, companies or organizations, resident or located in the County of Durham, in the Province of Ontario, received financial assistance from the Department of Regional Economic Expansion in (a) 1972 (b) 1971?

2. What were their addresses?

3. What amounts, in each year, were paid to each?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. The Capital Grants for Farm Development program, approved under the Canada-Ontario Rural Development Agreement 1970-75 for implementation by Ontario across a wide provincial area, benefited some residents of the County during 1971 and 1972, but details are not available to the Department.

2. N/A.

3. N/A.

DEPARTMENT OF FINANCE—NUMBER OF FULL-TIME EMPLOYEES

Question No. 1,056—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of Finance?

[Mr. Allmand.]

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of Finance?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. John N. Turner (Minister of Finance): 1. 376.

2. $15,000 to $15,999, 7; $16,000 to $16,999, 9; $17,000 to $17,999, 5; $18,000 to $18,999, 5; $19,000 to $19,999, 7; $20,000 to $20,999, 7; $21,000 to $21,999, 8; $22,000 to $22,999, 12; $23,000 to $23,999, 1; $20,000 to $25,000, *SX 1, 2; $22,000 to $27,000, *SX 2, 8; $24,000 to $30,000, *SX 3, 2; $29,000 to $35,000, *SX 4, 2; $40,000 to $45,000, *DM 3, 1.

3. 548.

4. $18,000 to $18,999, 22; $19,000 to $19,999, 6; $20,000 to $20,999, 10; $21,000 to $21,999, 7; $22,000 to $22,999, 4; $23,000 to $23,999, 9; $24,000 to $24,999, 8; $25,000 to $25,999, 15; $26,000 to $26,999, 3; $22,000 to $28,000, *SX 1, 2; $25,000 to $31,000 *SX 2, 15; $28,000 to $35,000, *SX 3, 2; $34,000 to $40,000, *SX 4, 3; $45,000 to $50,000, *DM 3, 1.

———

*Not separated to $1,000 intervals in order to protect privacy of salary information in accordance with T.B. Circular No. 1969-206.

PUBLIC WORKS—ACQUISITION OF LAND IN LUCERNE, QUEBEC

Question No. 1,057—**Mr. Atkey:**

1. Is the Department of Public Works considering the acquisition of land in Lucerne, Quebec, presently used by the Department of Agriculture for animal research?

2. (a) For what purpose (b) for what government department or agency is the Department considering the acquisition of the land?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Yes.

2. (a) Environmental Research purposes; (b) Department of the Environment.

ATOMIC ENERGY OF CANADA LIMITED—EXPENDITURES FOR POWER PLANTS AND HEAVY WATER PLANTS

Question No. 1,195—**Mr. Coates:**

By province, how much money has Atomic Energy of Canada Limited spent on power plants and heavy water plants, including (a) the total capital expense (b) the total operating expense (c) all other expenses, including research (d) the amount forgiven and amount not recoverable?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited has spent or committed the following amounts on power plants and heavy water plants by provinces. (Expressed in $ Millions): (a) Total capital expense: Ontario, $401.6; Quebec, $90.2; Nova Scotia $95.0. (b) Estimated annual operating expense: Ontario, $62.9; Quebec, $7.2; Nova Scotia, $20.0. The annual operating expense of heavy water plants and commercial power plants is recoverable from the sale of product or electricity. (c) All other expenses including research: Ontario, $19.9; Quebec, $30.3; Nova Scotia, nil. The above amounts represent the cost of devel-

opment and design of prototype power plants. (d) The amount forgiven and amount not recoverable. The prototype power stations in Ontario and Quebec will eventually be sold to the utilities at prices that will enable the utilities to produce electricity at costs comparable to the cost of producing it in coal-fired stations of similar capacity. The amount forgiven and amount not recoverable will not be known until the stations are sold.

CF 5 AIRCRAFT

Question No. 1,277—**Mr. Rowland:**

1. How many CF 5 aircraft (a) have been purchased by the government (b) are currently in (i) service (ii) storage?

2. How many CF 5 aircraft (a) in service (b) in storage are in dual configuration and how many in single configuration?

3. How many CF 5 aircraft have been sold to other nations, what nations have purchased them and in what numbers?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Supply and Services, the Canadian Commercial Corporation and the Department of National Defence as follows: 1. (a) 135; (b) (i) 46; (ii) 45.

2. (a) 30 CF 5A (Singles); 16 CF 5D (Duals); (b) 38 CF 5A, 7 CF 5D.

3. Twenty aircrafts were sold to Venezuela.

RCMP PERSONNEL

Question No. 1,376—**Mr. Godin:**

1. What is the total number of members of the Royal Canadian Mounted Police?

2. How many of them come from (a) the Province of Quebec (b) Ontario?

3. How many of them are on duty in (a) the Province of Quebec (b) Ontario?

Hon. Warren Allmand (Solicitor General): 1. 12,059.

2. No records are available to readily establish this information. To obtain same it would be necessary to conduct a check of every member's file which would represent an exorbitant task in terms of manpower and time.

3. (a) 912; (b) (i) 1,201, assigned to federal duties in Ontario; (ii) 1,824, assigned to headquarters and other components for duties and functions relating to the whole of Canada.

*REMOVAL OF PICTURE OF HER MAJESTY FROM OUR ONE CENT-8 CENT DEFINITIVE POSTAGE STAMPS

Question No. 1,394—**Mr. Schumacher:**

1. Is it the intention of the Postmaster General to remove completely the picture of Her Majesty the Queen from our 1 cent-8 cent definitive postage stamps and, if so, what is the reason for such change?

2. With what is it intended to replace Her Majesty's picture?

Mr. John M. Reid (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, the answer to part one is no.

The answer to part two is as follows: The new series of definitive postage stamp designs, which were introduced in 1972 in the high and medium values, will be completed later this year with the introduction of new designs for the low value definitive stamps. The new designs will include a portrait of Her Majesty the Queen and former Prime Ministers of Canada.

PUBLIC WORKS—COST OF NEW CUSTOMS OFFICE, GOODLANDS, MANITOBA

Question No. 1,446—**Mr. Dinsdale:**

1. What was the cost of the new Customs Office in Goodlands, Manitoba?

2. Was the building put out to tender and, if so (a) how many tenders were received (b) what was the tender in each case (c) who was the successful tenderer?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. A new Customs building in Goodlands, Manitoba, has not been constructed.

2. N/A.

DREE—ASSISTANCE TO INDUSTRY IN THE PRODUCTION OF CAMPER TRAILERS AND MOBILE HOMES

Question No. 1,447—**Mr. Horner (Crowfoot):**

1. In the years 1969, 1970, 1971 and 1972, how many grants under DREE were paid out to assist industry in the production of camper trailers and mobile homes?

2. What was the total amount of money provided?

3. How much money did private industry have to put up in order to receive the grants?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Statistics have not been maintained by industry classification for the Area Development Incentives Act and payment detail is, therefore, not readily available. The following, however, is the applicable information for the Regional Development Incentives Act.

	Calendar Years				
	1969	1970	1971	1972	1973 (to Feb. 28)
Number of Applicants Paid	—	2	14	9	4
Amount of Payments	—	$157,952	$1,176,332	$771,673	$238,353

These figures include initial or interim payments made to 25 applicants. In addition to these cases, however, there are 23 projects for which incentive offers have been accepted although no payment has yet been made.

2. As shown in the response to question 1, the total amount paid out is $2,344,310. The Department's total

estimated commitment in the full 48 cases, however, is $5,741,594. The projects are expected to create an estimated 2,644 jobs.

3. Private industry put up or arranged for the financing of the balance of capital requirements. Based on the total incentive offers accepted (48) there could be at least $33,832,883 calculated as follows:

Eligible capital costs (fixed assets)	$17,332,107
Grants	5,741,594
Working and other capital	11,590,513
Balance of capital requirements	22,242,370
	$33,832,883

STUDENT SUMMER EMPLOYMENT

Question No. 1,465—**Mr. Orlikow:**

1. What number of high school and university students were registered with Canada Manpower Officers for summer employment in the months of May, June, July and August, for the year 1972?

2. Of this number, how many were placed for employment and how many was the Department unable to place for employment in each of the above months?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. This question cannot be answered from available statistical data.

2. Placements on a cumulative basis for the months in question were: 43,177, 90,216, 141,933, 174,709; the percentage increases from the corresponding months of 1971 being: 42.9 per cent, 20.5 per cent, 28.5 per cent, 23.7 per cent. As active registrations cannot be broken down month by month, the latter part of question 2 cannot be answered. However, in addition to providing special placement facilities for students during the summer, my department encourages the students to use their own initiatives to secure employment. The results of a survey carried out in the fall of 1972 indicate that of the students who ostensibly remained on the active files during the summer, approximately two-thirds had found jobs on their own. In addition, some 25 per cent of those who found jobs on their own said that their contact with a Canada Manpower Centre had materially assisted them to do so. Although high school and university student registrations are not broken down separately, a post-secondary survey of summer employment experience, also carried out in the fall of 1972, indicates that 91 per cent of the post-secondary students who sought work in 1972 succeeded in finding a job for at least part of the summer. This figure of course includes those post-secondary students who were placed in employment by Canada Manpower Centres.

*FISHERIES AND MARINE SERVICE SHIP BUILDING PROGRAM

Question No. 1,492—**Mr. Howard:**

With respect to the ship building program planned for Fisheries and Marine Service as announced by the Minister of the Environment on February 22, 1973, are any of the ships under that program to be built in British Columbia and, if so, which ones?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the answer to this question is as follows: In awarding contracts for shipbuilding, efforts are always made to obtain them at the lowest possible cost. It has been the practice of the government nevertheless, if possible, to buy the vessels in the area where they are to be used.

GROSS NATIONAL PRODUCT—NATIONAL INCOME AND DISPOSABLE INCOME

Question No. 1,493—**Mr. Madill:**

What was the (a) Gross National Product (b) National Income (c) Disposable Income (d) Gross National Product per capita for Canada from March 31, 1967 and each fiscal year up to March 31, 1972?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that:

1.

		Fiscal years ended March 31			
	1967	1968	1969	1970	1971	1972
(*a*) Gross National Product ($ millions)	62,981	67,531	74,470	81,285	86,606	95,409
(*b*) National Income ($ millions)	47,130	50,631	56,225	61,653	64,944	72,689
(*c*) Personal Disposable Income ($ millions)	40,660	43,667	47,954	51,883	54,743	61,256
(*d*) Gross National Product (per capita)	$ 3,147	3,314	3,597	3,871	4,067	4,423

Source of data: The estimates of Gross National Product, National Income and Personal Disposable Income have been derived by summing the calendar quarterly estimates, unadjusted for seasonality, to a fiscal year total. The population estimates used to derive per capita Gross National Product are the estimates as of June 1 of the calendar year ending in the fiscal year.

DEPARTMENT OF SOLICITOR GENERAL—PERSONNEL

Question No. 1,508—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of the Solicitor General?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of the Solicitor General?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. Warren Allmand (Solicitor General): 1.

Departmental Administration	45
Royal Canadian Mounted Police	11,682
Canadian Penitentiary Service	4,611
National Parole Board and Service	282
Total	16,620

2.

	Departmental Administration	RCMP	CPS	NPB/S	Totals
15,000–15,999.....	2	126	25	3	156
16,000–16,999.....	1	6	9	1	17
17,000–17,999.....	4	0	7	1	12
18,000–18,999.....	2	46	15	2	65
19,000–19,999.....	1	3	9	0	13
20,000–20,999.....	0	0	6	0	6
21,000–21,999.....	0	15	10	0	25
22,000–22,999.....	0	1	4	8	13
23,000–23,999.....	0	0	4	1	5
24,000–24,999.....	0	11	9	0	20
25,000–25,999.....	0	1	4	0	5
26,000–26,999.....	0	0	1	0	1
27,000–27,999.....	0	0	0	1	1
Over 28,000.....	1	4	3	0	8
Totals.....	11	213	106	17	347

3.

Ministry Secretariat	109
Royal Canadian Mounted Police	14,280
Canadian Penitentiary Service	5,199
National Parole Board	501
Total	20,089

4.

	Secretariat	RCMP	CPS	NPB	Totals
18,000–18,999.....	2	138	13	0	153
19,000–19,999.....	6	15	10	1	32
20,000–20,999.....	0	4	1	1	6
21,000–21,999.....	0	56	12	0	68
22,000–22,999.....	0	0	4	3	7
23,000–23,999.....	2	26	8	0	36
24,000–24,999.....	2	1	2	0	5
25,000–25,999.....	4	1	4	1	10
26,000–26,999.....	0	0	2	7	9
27,000–27,999.....	1	15	1	1	18
Over 28,000.....	3	5	17	1	26
Totals.....	20	261	74	15	370

DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

Question No. 1,535—Mr. McKenzie:

1. In the fiscal years 1968-69 to 1971-72, how much money was contracted to each of the five regions of Canada by the Defence Industry Productivity Program?

2. What was this in per capita terms for each region?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1.

Defence Industry Productivity funds expended in Canadian industry in the six regions of Canada

FY	Atlantic	Quebec	Ontario	Prairies	British Columbia	Yukon and N.W.T.
	$	$	$	$	$	$
1968/69.....	169,046	17,424,806	10,523,651	1,469,164	—	—
1969/70.....	8,034	17,687,015	29,966,833	793,959	43,161	—
1970/71.....	193,622	20,274,767	23,670,181	1,047,341	—	—
1971/72.....	1,297,344	22,172,305	24,398,157	674,005	257,855	—

2. Defence Industry Productivity Assistance to Canadian Industry in the six regions of Canada on a per capita basis*

(Expressed in Dollars)

FY	Atlantic	Quebec	Ontario	Prairies	British Columbia	Yukon and N.W.T.
	$	$	$	$	$	$
1968/69.....	.08	2.9	1.5	.4	—	—
1969/70.....	.003	3.0	4.0	.2	.02	—
1970/71.....	.1	3.4	3.1	.3	—	—
1971/72.....	.6	3.7	3.2	.2	.1	—

*Note: In determining the per capita figures per region the following population statistics were used.

Year	Atlantic	Quebec	Ontario	Prairies	British Columbia	Yukon and N.W.T.
	(Population in thousands)					
1968.....	2,008	5,928	7,262	3,455	2,003	45
1969.....	2,012	5,984	7,454	3,499	2,067	47
1970.....	2,018	6,013	7,637	3,523	2,137	49
1971.....	2,058	6,028	7,703	3,542	2,185	53

UNEMPLOYMENT INSURANCE COMMISSION—NUMBER OF RESIDENTS REGISTERED IN PORTNEUF CONSTITUENCY

Question No. 1,552—Mr. Godin:

For each of the months of October, November, December, 1972 and January, 1973 (a) how many residents in the constituency of Portneuf were registered at the Unemployment Insurance Commission (b) for the same months, how many were accepted (c) how many received benefits?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The Commission does not collect information of the nature requested on a constituency basis.

MINISTRY OF STATE FOR URBAN AFFAIRS—PERSONNEL

Question No. 1,654—Mr. Knight:

1. How many full-time employees were there as of January 31, 1970 in the Ministry of State for Urban Affairs?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Ministry fo State for Urban Affairs?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. Nil. The Ministry of State for Urban Affairs did not exist at this time.

2. Nil. The Ministry of State for Urban Affairs did not exist at this time.

3. As of January 31, 1973 there were 142 full-time employees in the Ministry of State for Urban Affairs.

4. Out of these 142 full-time employees, 27 were earning over $18,000 annually. The figures are: 1 earning between $18,000 to $18,999; 2 earning between $19,000 to $19,999; 4 earning between $20,000 to $20,999; 2 earning between $22,000 to $22,999; 6 earning between $23,000 to $23,999; 2 earning between $24,000 to $24,999; 4 earning between $25,000 to $25,999; 1 earning between $26,000 to $26,999; 2 earning between $27,000 to $27,999; 2 SX3 earning between $28,000 to $35,000; 1 DM1 earning between $34,000 to $40,000.

RCMP—AIRPORT RESPONSIBILITIES

Question No. 1,685—**Mr. Caouette (Charlevoix):**

1. At how many airports does the RCMP serve as the police force?

2. Which airports are they?

3. How many officers are involved in such duties?

4. What is the cost of this service?

5. Who pays such cost?

Hon. Warren Allmand (Solicitor General): 1, 2 and 3. The Royal Canadian Mounted Police has units located at the following airports, with responsibilities and the number of members as indicated: RCMP has Primary Police Jurisdiction, including Security of Airport Property: Gander, Nfld., 2; Halifax, N.S., 7; Edmonton, Alta., 2; Vancouver, B.C., 12; Total 23. RCMP has responsibility only for Security of Airport Property: Montreal (Dorval), P.Q. 40; Ottawa, Ont. 9; Toronto (Malton), Ont. 36; Winnipeg, Man. 2; Calgary, Alta. 3; Total 90.

4. $1,212,262; April 1972 to February 28, 1973.

5. Department of Transport.

INDUSTRIAL DEVELOPMENT BANK—CONSULTATION SERVICE

Question No. 1,690—**Mr. Stewart (Okanagan-Kootenay):**

Does the Industrial Development Bank provide a consultation service when no loan is given?

Hon. John N. Turner (Minister of Finance): In the course of considering an approach for financing and in processing a loan application, the experience and skills of the IDB staff are available to the potential borrower who often avails himself thereof. Thus, even when an application is declined the IDB may have been of some assistance. Not infrequently the IDB is able to suggest how a weakness in a loan proposal may be overcome. In a more general context, the IDB in 1972 established an Advisory Services program to help promote good management practices in small business. To this end it is holding business management seminars in smaller centres across Canada and will have conducted about 120 by June. It has also distributed free about 100,000 informational pamphlets entitled "Minding Your Own Business" dealing with subjects of concern to the small businessman.

SEAL HUNT

Question No. 1,696—**Mr. Paproski:**

1. What quota has been set by the government for the current seal hunt off Labrador and how many of these are baby seals?

2. What quota was recommended by the Minister of the Environment's Advisory Committee on Sealing?

Mr. William Rompkey (Parliamentary Secretary to Minister of Fisheries): 1. Canadian Large Vessels Operating on Front, 60,000; Atlantic Landsmen sealers, 30,000; Aboriginal fishery, 10,000; Total 100,000. In setting quotas, no distinction is made between adult and baby seals.

2. Same as above.

DEPARTMENT OF MANPOWER AND IMMIGRATION—PERSONNEL

Question No. 1,697—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of Manpower and Immigration?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of Manpower and Immigration?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. 8,691.

2. Records were not kept of this information at the time.

3. 9,555.

4. $18,000 to $18,999, 42; $19,000 to $19,999, 28; $20,000 to $20,999, 31; $21,000 to $21,999, 56; $22,000 to $22,999, 16; $23,000 to $23,999, 27; $24,000 to $24,999, 5; $25,000 to $25,999, 23; $26,000 to $26,999, 10; $27,000 to $27,999, 7; $28,000 to $28,999, 2; $29,000 to $29,999, 3; $25,000 to $31,000, 2(SX2); $28,000 to $35,000, 5(SX3); $40,000 to $45,000, 1(DM2).

VANCOUVER INTERNATIONAL AIRPORT EXPROPRIATION PROCEEDINGS

Question No. 1,704—**Mr. Reynolds:**

Has the government received objections concerning the Vancouver International Airport expropriation proceedings conducted by Mr. I. Wolfe and, if so, how many?

Hon. Jean-Eudes Dubé (Minister of Public Works): To date no objections concerning the Vancouver International Airport expropriation proceedings conducted by Mr. I. Wolfe have been received by the Department of Public Works.

FUNDS EXPENDED BY NATIONAL PARKS AND HISTORIC SITES BRANCH

Question No. 1,732—**Mr. Benjamin:**

1. How much money was expended during 1972 by the National Parks and Historic Sites Branch of the Department of Indian Affairs and Northern Development in each of the ten provinces on (a) capital development (Including restoration) (b) operating and maintenance?

2. How much was spent on the following National Historic Sites in Saskatchewan, in capital development and operating and maintenance during 1972 (a) Battlefords (b) Batoche (c) Fort Walsh?

3. How much was spent on the restoration of the Fortress of Louisburg during the period 1962-1972 inclusive?

4. (a) How much money has been requested for capital development and operating and maintenance at Fort Walsh National Historic Site during 1973 (b) what development is planned for 1974, the centennial year of this Fort?

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1.

	(a)	(b)
	$	$
Newfoundland	1,194,000	874,000
Prince Edward Island	567,000	677,000
Nova Scotia	2,588,000	4,252,000
New Brunswick	2,096,000	926,000
Quebec	6,423,000	3,041,000
Ontario	4,927,000	10,291,000
Manitoba	395,000	1,373,000
Saskatchewan	381,000	1,015,000
Alberta	3,728,000	9,435,000
British Columbia	2,345,000	3,488,000

2. (a) $94,000; (b) $44,000; (c) $65,000.

3. $15,639,000

4. (a) $199,000; (b) Fort Walsh is one of the first north west mounted Police posts in Canada and is built on the site of the Cypress Hills massacre in 1873. commencing in the fiscal year 1973-74 the site is to be developed into a major centre depicting the theme of establishing law and order in the west.

EMO EXPENDITURES

Question No. 1,736—**Mr. Stewart (Okanagan-Kootenay):**

1. Does EMO provide ambulance service to municipalities and, if so (a) in what locations (b) what is the cost of the service to EMO?

2. What is the value of the buildings and/or equipment and/or other benefits received by EMO from municipalities where this ambulance service is provided?

Hon. James Richardson (Minister of National Defence): 1. No. (a) and (b) not applicable.

2. Not applicable.

Order Paper Questions

CAPITAL DISPOSABLE AVERAGE INCOME OF FARM PEOPLE

Question No. 1,743—**Mr. Mather:**

1. What is the estimated per capital disposable average income of farm people, from all sources, farm and non-farm?

2. What is the per capital disposable average income of people living off (i.e. away) from the farm?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. and 2. In so far as Statistics Canada is concerned: The information required to answer this question is not collected by Statistics Canada.

REV. GERVIS BLACK

Question No. 1,751—**Mr. Cossitt:**

1. How much money has been paid by the government, before any deductions at source, in the nature of salary, honorarium or retainers to Rev. Gervis Black between October 30, 1972 and up to and including March 31, 1973?

2. Has any money been paid to Rev. Gervis Black as an expense allowance of any kind whatsoever and if so (a) what is the total amount of such expenses paid (b) what is the exact description of each expense and the amount involved in each case?

Hon. Jean Marchand (Minister of Transport): 1. The Rev. Gervis Black received a salary from January 4, 1973 to March 31, 1973, based on an annual salary of $15,000 to $17,500.

2. No.

DR. TERRY McGRATH

Question No. 1,758—**Mr. Cossitt:**

1. How much money has been paid by the government, before any deductions at source, in the nature of salary, honorarium or retainers to Dr. Terry McGrath between October 30, 1972 and up to and including March 31, 1973?

2. Has any money been paid to Dr. Terry McGrath as an expense allowance of any kind whatsoever and, if so (a) what is the total amount of such expenses paid (b) what is the exact description of each expense and the amount involved in each case?

Hon. Warren Allmand (Solicitor General): 1. Dr. Terry McGrath received a salary from October 30, 1972 to March 31, 1973 based on an annual salary scale of $15,000 to $17,500.

2. (a) $859.90; (b) (i) Travel expenses $204.45; (ii) Removal expenses $655.45.

BOEING 707 AIRCRAFT

Question No. 1,770—**Mr. Cossitt:**

1. How many Boeing 707 aircraft are owned by the government and on what dates were these purchased and for how much in each case?

2. What is the total number of all flights made by each aircraft since it was placed in service and on which passengers were carried and where did these flights originate, where did they stop en route and where did they terminate?

3. What were the names of all passengers carried on such flights and what were their destinations?

Hon. James Richardson (Minister of National Defence): 1. Five; four of these were delivered in 1970, one

each on February 18, February 25, March 2, and March 10 at a flyaway cost of $8,775,000 each. The fifth was delivered on March 23, 1971 and cost $8,871,000. All of these costs were exclusive of 12 per cent sales tax, but included conversion compartments, $385,000 worth of spares and 400 hours of flight simulator time. When all aspects of the acquisition were completed, the total program costs were $64,900,000.

2 and 3. These aircraft were purchased to meet the Department of National Defence's need for deployment and support of Canada's military forces in fulfilment of defence and foreign policy commitments. No recapitulation of flight details or passenger lists are maintained on a continuing basis although flight documents and passenger manifests are kept for one year. To provide an accurate answer to these questions would require additional staff to undertake the large amount of work which would be required to compile the requested information. The Department does not have the resources that would be required to employ such additional staff.

CANADA DEVELOPMENT CORPORATION—VENTURES WEST CAPITAL LIMITED

Question No. 1,782—**Mr. Leggatt:**

1. Has the Canada Development Corporation invested money in Ventures West Capital Limited and, if so, what is the amount of the investment?

2. What is the value of all holdings of Ventures West Capital Limited and what is the nature of the holdings?

3. What is the minimum investment required to purchase shares in Ventures West Capital Limited?

4. Is Ventures West Capital Limited a public company?

5. What is the total amount in management fees paid to the Vancouver-based firm of Brown, Farris and Jefferson Limited to date and what are their contractual arrangements with Ventures West Capital Limited?

6. Was the firm of Brown, Farris and Jefferson selected by representatives of the Canada Development Corporation as management consultants for Ventures West Capital Limited?

Hon. John N. Turner (Minister of Finance): 1. Yes, $2,050,000.

2. Ventures West Capital Limited is a private company. This information has not been made public by the company and consequently it is not available.

3. Same as 2.

4. No.

5. Same as 2.

6. Yes.

PURCHASE OF LONDON BUILDING, SASKATOON

Question No. 1,801—**Mr. Diefenbaker:**

1. When was the London Building in Saskatoon purchased by the government and at what price?

2. What has been the total amount of expenditure since for (a) renovation and rebuilding (b) repairs?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. 1950 for $130,000.

2. (a) $507,765; (b) Estimated at $2,500 per annum.

[Mr. Richardson.]

OCEANOGRAPHIC RESEARCH INSTITUTE

Question No. 1,803—**Mr. Munro (Esquimalt-Saanich):**

1. In view of the plans announced by the Minister of the Environment to build an Oceanographic Research Institute on the shores of Patricia Bay, in the Municipality of North Saanich in British Columbia, what arrangements have been made with the municipal authorities to provide the necessary municipal services (water, power, sewage, roadways, etc.) associated with such a project?

2. If no arrangements have yet been made, on what date is it planned to open discussions with the municipal authorities with the view of ensuring that those services will be provided?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. Preliminary contacts regarding municipal services for the ocean institute at Patricia Bay have been made with the Capital Regional District, Victoria. A meeting of departmental officials and all municipalities involved is being arranged.

2. This should take place by mid-April. It is the intention and policy of the Department to plan the institute with the closest co-operation of the municipalities in the region. Such discussions and plans will include the total federal activity at Patricia Bay including Victoria International Airport and the Department of National Defence.

OCEANOGRAPHIC RESEARCH INSTITUTE—COSTS OF INSTALLATION

Question No. 1,804—**Mr. Munro (Esquimalt-Saanich):**

Does the Minister of the Environment plan to have his Department assume all the costs for the installation of the services that will be required to establish the Oceanographic Research Institute at Patricia Bay in the Municipality of North Saanich, British Columbia?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): The Department will negotiate in good faith for the provision of services to the institute with the municipalities involved.

OCEANOGRAPHIC RESEARCH STATION—COST OF HOUSING, SCHOOLING, AS A RESULT OF ESTABLISHMENT

Question No. 1,805—**Mr. Munro (Esquimalt-Saanich):**

What plans has the Minister of the Environment made to defray the extra costs that will arise in matters of housing, schooling, fire and police protection as a result of the establishment of the Oceanographic Research Station in Patricia Bay in the Municipality of North Saanich, British Columbia?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): A grant in lieu of taxes will be negotiated in the normal manner.

*EXPROPRIATION PLANS FOR OCEANOGRAPHIC INSTITUTE AT PATRICIA BAY

Question No. 1,806—**Mr. Munro (Esquimalt-Saanich):**

In view of the plans to establish an Oceanographic Institute at Patricia Bay in the Municipality of North Saanich, British Columbia, what expropriation plans may be envisaged by the department concerned?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the answer

to this question is that the Department of the Environment does not envisage any expropriation action.

*ESTABLISHMENT OF OCEANOGRAPHIC RESEARCH INSTITUTE

Question No. 1,807—**Mr. Munro (Esquimalt-Saanich):**

For what reason has there been no direct interchange with the Municipality of North Saanich, British Columbia, related to the plans to establish an Oceanographic Research Institute in that municipality?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the answer to this question is that a full exchange with the municipalities, as stated in question 1803, is being set up. Planning for the institute is in the very earliest stage.

*ARRANGEMENTS BETWEEN FEDERAL AND MUNICIPAL AUTHORITIES FOR ESTABLISHMENT OF OCEANOGRAPHIC RESEARCH INSTITUTE AT PATRICIA BAY

Question No. 1,808—**Mr. Munro (Esquimalt-Saanich):**

What department should the municipal authorities contact in order to work out appropriate arrangements between the federal and the municipal authorities that will have to be made as a result of the decision of the Department of the Environment to establish an Oceanographic Research Institute at Patricia Bay in the Municipality of North Saanich, British Columbia?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the answer to this question is that the municipalities and the capital regional district will be dealing with the fisheries and marine service, marine sciences directorate of the Department of the Environment, at 1230, Government Street, Victoria.

TOTAL AMOUNT SPENT FOR NEWSTART PROGRAMS, 1969-72

Question No. 1,824—**Mr. Stewart (Okanagan-Kootenay):**

1. What was the total amount spent for NewStart Programs in 1969, 1970, 1971 and 1972?

2. How many projects were there under the NewStart Program and where was each located?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. The total amount spent for NewStart programs for the following years was: 1969 to 1970, $6,085,000; 1970 to 1971, $5,643,000; 1971 to 1972, $3,435,000; 1972 to 1973, $1,800,000 (Estimate).

2. There were six projects under the Canada NewStart Program. These were located in Yarmouth, Nova Scotia; Montague, Prince Edward Island; Richibucto, New Brunswick; the Pas, Manitoba; Prince Albert, Saskatchewan; and Lac La Biche, Alberta.

CANADIAN ARMED FORCES—MANPOWER STRENGTHS, 1963

Question No. 1,839—**Mr. McKinnon:**

In March 1963, how many members of the Canadian Armed Forces were serving at (a) Goose Bay (b) Fort Churchill (c) Cambridge Bay (d) Whitehorse (e) Cold Lake (f) Yellowknife, NWT?

Hon. James Richardson (Minister of National Defence): (a) 463; (b) 675; (c) 5; (d) 596; (e) 1,893; (f) nil.

INDUSTRIAL DEVELOPMENT BANK—LEGAL COUNSEL

Question No. 1,840—**Mr. McKinnon:**

1. What lawyer or law firm acts as legal counsel for the Industrial Development Bank in Victoria, British Columbia?

2. How much has this lawyer or law firm received in payment for services in each of the past five years?

3. Does IDB in Victoria use a legal firm to represent its interests in each mortgage they grant and, if so, are such fees included in the answer to Part 2?

4. (a) How many mortgages has the Victoria office granted in each of the past five years (b) what is the total amount of money lent through IDB in Victoria in each of the past five years?

Hon. John N. Turner (Minister of Finance): 1, 2 and 3. The Industrial Development Bank engages the services of outside solicitors in connection with the taking of security for its loans. However, since by statute the internal administration of the IDB is in the hands of its Board of Directors, it has not been the practice to make public the names of those who do its legal work since this is a matter relating to internal administration.

4. The IDB's statistical information is published by province and industrial classification only. During the past five years, the number and amount of loans authorized in British Columbia are as follows:

Fiscal	Number	Amount ($000)
1968	493	22,022
1969	751	36,248
1970	1,094	48,579
1971	1,428	63,189
1972	1,928	85,683

NATIONAL DEFENCE—VACANT MARRIED QUARTERS RESIDENCES, GAGETOWN

Question No. 1,871—**Mr. Howie:**

How many permanent married quarters residences were vacant on April 1, 1973 at Base Gagetown?

Hon. James Richardson (Minister of National Defence): One hundred and sixty-five out of 2,200.

NATIONAL DEFENCE—PERSONNEL AT CAMP VALCARTIER AND GAGETOWN

Question No. 1,872—**Mr. Howie:**

What was the total number of Armed Forces personnel located at Camp Valcartier and Base Gagetown, New Brunswick, on March 1 in the years 1972 and 1973?

Hon. James Richardson (Minister of National Defence):

Order Paper Questions

	CFB Valcartier	CFB Gagetown
March 1, 1972	4,136	3,205
March 1, 1973	3,974	3,183

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

ESCAPES FROM FEDERAL PENAL INSTITUTIONS

Question No. 29—**Mr. Coates:**

1. How many escapes occurred from federal penal institutions in the year 1972 and (a) from what institutions did inmates escape (b) on what dates and in what numbers (c) in each instance, how long a period were the inmates out of custody and at large (d) how many inmates are still at large?

2. What are the comparable figures for each of (a), (b), (c) and (d) in Part 1 for the years 1968, 1969, 1970 and 1971?

3. Of those inmates who escaped from institutions in 1972, how many committed crimes while at large and before recapture?

4. Were there any instances where inmates who escaped from penal institutions and were later recaptured, were not prosecuted for escaping custody and, if so, how many instances and what is the explanation in each instance for not having taken further criminal proceedings?

Return tabled.

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION PUBLICITY EXPENDITURES

Question No. 77—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Regional Economic Expansion on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

2. What were the names and addresses of firms or individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

*DRUGS APPROVED BY FOOD AND DRUG DIRECTORATE

Question No. 790—**Mr. Rynard:**

For the period January 1971 to January 1972, how many drugs have been approved by the Food and Drug Directorate that to the knowledge of the government have not been approved by Parcost and what are the names of the drugs?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO SENEGAL

Question No. 1,144—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Senegal?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

[Mr. Richardson.]

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO MALI

Question No. 1,145—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Mali?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO MAURITANIA

Question No. 1,146—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Mauritania?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO GUINEA

Question No. 1,147—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Guinea?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO TUNISIA

Question No. 1,148—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Tunisia?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO MADAGASCAR

Question No. 1,149—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Madagascar?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO THE IVORY COAST

Question No. 1,150—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in the Ivory Coast?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO NIGER

Question No. 1,151—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Niger?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO HAUTE-VOLTA

Question No. 1,152—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Haute-Volta?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO TOGO

Question No. 1,153—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Togo?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO DAHOMEY

Question No. 1,154—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Dahomey?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO ALGERIA

Question No. 1,155—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Algeria?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO MOROCCO

Question No. 1,156—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Morocco?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO ZAIRE

Question No. 1,157—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Zaire?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO RWANDA

Question No. 1,158—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Rwanda?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO BURUNDI

Question No. 1,159—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Burundi?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO CONGO-BRAZZAVILLE

Question No. 1,160—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Congo-Brazzaville?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO CAMEROUN

Question No. 1,161—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Cameroun?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO GABON

Question No. 1,162—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Gabon?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

Order Paper Questions

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO CENTRAL AFRICAN REPUBLIC

Question No. 1,163—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in the Central African Republic?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

FEDERAL FINANCIAL CONTRIBUTION FOR DEVELOPMENT ASSISTANCE TO TCHAD

Question No. 1,164—**Mr. Paproski:**

1. What financial contributions have been made in the last five years for development assistance in Tchad?

2. What major long term development projects are now being sponsored by Canada in this country?

Return tabled.

UNEMPLOYMENT INSURANCE COMMISSION HEAD OFFICES

Question No. 1,172—**Mr. Gauthier (Roberval):**

1. Were the computers installed in five Unemployment Insurance Commission head offices (Moncton, Belleville, Montreal, Vancouver, Winnipeg) purchased or rented?

2. (a) On what date were they purchased or rented (b) were they new or second-hand (c) at what price (d) if paid by instalments, under what terms and at what interest rate (e) how much was paid for maintenance from the date of purchase to December 31, 1972 (f) how many persons did these computers replace (g) how much was paid to American experts for the installation of these computers (h) how many people are assigned to maintenance?

3. What was the total paid in salaries by the Unemployment Insurance Commission during the past twelve months?

4. How many employees draw a salary between (a) $30,000 and $25,000 (b) $25,000 and $20,000 (c) $20,000 and $15,000 (d) $15,000 and $10,000 (e) $10,000 and $5,000?

5. How many people are employed in the offices at (a) Moncton, New Brunswick (b) Belleville, Ontario (c) Montreal, Quebec (d) Vancouver, British Columbia (e) Winnipeg, Manitoba?

6. How many people are employed in each of the regional offices in Quebec?

7. What is the total number of employees in the Unemployment Insurance Commission?

8. What was the number of office workers (a) before the installation of computers (b) December 31, 1972?

Return tabled.

DREE—APPLICATIONS FOR GRANTS FROM BRITISH COLUMBIA

Question No. 1,372—**Mr. Stewart (Okanagan-Kootenay):**

1. How many applications for grants has the Department of Regional Economic Expansion received from the Province of British Columbia, since the Department was established?

2. How many applications have been accepted, which ones and what is the amount involved in each case?

3. How many applications have been rejected, which ones and for what reasons?

[Mr. Paproski.]

4. What were the names of industries in British Columbia which created new jobs after receiving a grant?

5. How many jobs have been actually created in each case?

Return tabled.

MONEY UNDERWRITTEN BY EXPORT DEVELOPMENT CORPORATION

Question No. 1,673—**Mr. Orlikow:**

1. In each of the past ten years, how much money was underwritten or business done by the Export Development Corporation or its predecessor, the Export and Credit Insurance Corporation, by each of the five regions and each province of Canada?

2. What was this in per capita terms for each of the five regions and each province of Canada?

Return tabled.

● (1520)

MOTIONS FOR PAPERS

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 204 is acceptable to the government.

COPY OF CRTC EXAMINATION PAPERS RESPECTING CERTAIN CABLEVISION COMPANIES

Motion No. 204—**Mr. Rose:**

That an Order of the House do issue for a copy of CRTC examination papers for (a) MSA Cablevision Ltd. 70-255 4-73 (b) Western Cablevision 71-226 5-75 (c) Coquitlam Cablevision 71-301-76 (d) Fraser Valley Cablevision 71-229-3-75 (e) Canadian Wirevision Ltd. 71-301-2-76.

Motion agreed to.

Mr. Reid: Mr. Speaker, notice of motion for the production of papers No. 203 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

[*Translation*]

Mr. Speaker: Subject to the reservations and conditions mentionned by the parliamentary secretary, does the House agree that notice of motion No. 203 be deemed to have been adopted?

Some Hon. Members: Agreed.

[*English*]

COPY OF ALL CORRESPONDENCE RELATING TO A POST OFFICE AT TASCHEREAU, QUEBEC

Motion No. 203—**Mr. Laprise:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, telegrams, petitions and other documents between the government or any department and any person, groups or organizations concerning the erection of a post office or a building to house the post office at Taschereau (Quebec).

Motion agreed to.

Mr. Reid: Mr. Speaker, would you be so kind as to call notices of motions Nos. 127, 161 to 185 inclusive—perhaps those might be dealt with as a group—and 201.

CORRESPONDENCE RELATING TO THE "IRVING WHALE"

Motion No. 127—**Mr. MacDonald (Egmont):**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, reports and representations issued or received by the Department of Transport relating to the submerged barge *Irving Whale.*

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the papers requested are of a voluminous character and would require an inordinate cost or length of time to prepare. We have already invited the hon. member to look at these documents, and I would therefore ask him to withdraw his motion.

Mr. MacDonald (Egmont): Mr. Speaker, I would be delighted, since we are going to have an Easter adjournment. Perhaps during that time I can go through all these documents and try to understand why it has taken so long for the government to take any effective action.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR MACMILLAN BLOEDEL, PORT ALBERNI

Motion No. 161—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with MacMillan Bloedel Limited, Port Alberni, British Columbia.

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, motion No. 161 relates to the production of papers which are pollution abatement compliance schedules relating to pulp mills in British Columbia. These compliance schedules are negotiated jointly between the federal and provincial authorities on the one hand and the companies on the other, and we are endeavouring to obtain the permission of the provincial authorities to release the relevant permits and other documents. Once we have this information, we will be tabling it.

This comment applies also to the other motions through to motion No. 185. I would therefore ask the hon. member for Skeena to withdraw his motions Nos. 161 to 185 inclusive.

Mr. Howard: Mr. Speaker, the minister was kind enough to send me a note of the comments he was going to make. In it he also said that most mills do not yet comply with our federal and provincial regulations. If he can tell me of one mill in British Columbia that has complied with the federal regulations, I will go along with him. Transfer for debate.

Mr. Speaker: Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR MACMILLAN BLOEDEL, NANAIMO

Motion No. 162—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with MacMillan Bloedel Limited, Nanaimo, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR NORTHWOOD PULP, PRINCE GEORGE

Motion No. 163—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Northwood Pulp Limited, Prince George, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR PRINCE GEORGE PULP AND PAPER, PRINCE GEORGE

Motion No. 164—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Prince George Pulp and Paper Limited, P.O. Box 6000, Prince George, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR RAYONIER CANADA, WOODFIBRE

Motion No. 165—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Rayonier Canada Limited, Woodfibre, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR RAYONIER CANADA, PORT ALICE

Motion No. 166—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Rayonier Canada Limited, Port Alice, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR SCOTT PAPER, NEW WESTMINSTER

Motion No. 167—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Scott Paper Limited, P.O. Box 760, New Westminster, British Columbia.

Transferred for debate.

Motions for Papers

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR TAHSIS COMPANY, GOLD RIVER

Motion No. 168—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Tahsis Company Limited, Gold River, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR WEYERHAEUSER CANADA, KAMLOOPS

Motion No. 169—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Weyerhaeuser Canada Ltd., P.O. Box 800, Kamloops, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR CARIBOO PULP AND PAPER, QUESNEL

Motion No. 170—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Cariboo Pulp and Paper Company, Quesnel, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR BRITISH COLUMBIA FOREST PRODUCTS, MACKENZIE

Motion No. 171—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with British Columbia Forest Products Ltd., Mackenzie, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR BELKIN PAPERBOARD, BURNABY

Motion No. 172—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Belkin Paperboard Limited, Burnaby, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR BRITISH COLUMBIA FOREST PRODUCTS, CROFTON

Motion No. 173—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with British Columbia Forest Products Limited, Crofton, British Columbia.

Transferred for debate.

[Mr. Howard.]

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR CANADIAN FOREST PRODUCTS, NEW WESTMINSTER

Motion No. 174—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Canadian Forest Products Limited, New Westminster, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR CANADIAN FOREST PRODUCTS, PORT MELLON

Motion No. 175—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Canadian Forest Products Limited, Port Mellon, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR COLUMBIA CELLULOSE COMPANY, CASTLEGAR

Motion No. 176—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Columbia Cellulose Company, Limited, P.O. Box 1000, Castlegar, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR COLUMBIA CELLULOSE COMPANY, PRINCE RUPERT (KRAFT)

Motion No. 177—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Columbia Cellulose Company, Limited, Prince Rupert, British Columbia (kraft).

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR COLUMBIA CELLULOSE COMPANY, PRINCE RUPERT (SULPHITE)

Motion No. 178—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Columbia Cellulose Company, Limited, Prince Rupert, British Columbia (sulphite).

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR CRESTBROOK FOREST INDUSTRIES, SKOOKUMCHUCK

Motion No. 179—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent

regulations which the government is attempting to negotiate with Crestbrook Forest Industries Ltd., Skookumchuck, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR CROWN ZELLERBACH CANADA, CAMPBELL RIVER

Motion No. 180—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Crown Zellerbach Canada Limited, Campbell River, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR CROWN ZELLERBACH CANADA, OCEAN FALLS

Motion No. 181—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Crown Zellerbach Canada Limited, Ocean Falls, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR EUROCAN PULP AND PAPER, KITIMAT, AND FINLAY FOREST INDUSTRIES, MACKENZIE

Motion No. 182—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Eurocan Pulp and Paper Co. Ltd., Kitimat, British Columbia and Finlay Forest Industries Ltd., Mackenzie, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR INTERCONTINENTAL PULP COMPANY, PRINCE GEORGE

Motion No. 183—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with Intercontinental Pulp Company Ltd., P.O. Box 600, Prince George, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR MacMILLAN BLOEDEL, ANNACIS ISLAND

Motion No. 184—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with MacMillan Bloedel Limited, 1010 Derwent Wau, Annacis Island, British Columbia.

Transferred for debate.

EFFLUENT REGULATIONS—COMPLIANCE SCHEDULE FOR MacMILLAN BLOEDEL, POWELL RIVER

Motion No. 185—**Mr. Howard:**

That an Order of the House do issue for a copy of the time schedule for compliance with the pulp and paper mill effluent regulations which the government is attempting to negotiate with MacMillan Bloedel Limited, Powell River, British Columbia.

Transferred for debate.

CANADA-BRITISH COLUMBIA POLICY LIAISON COMMITTEE ON COLUMBIA RIVER—EXCERPTS OF MINUTES

Motion No. 201—**Mr. Hamilton (Qu'Appelle-Moose Mountain):**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the International Joint Committee Draft Principles of October 31, 1959 and the Canada-British Columbia Draft No. 2 of November 26, 1960 mentioned in the minutes of meetings of the Canada-British Columbia Policy Liaison Committee on the Columbia River.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the papers requested by the hon. member were prepared as internal working documents by United States-Canada and Canada-British Columbia negotiating teams. The disclosure of documents of this nature would reveal negotiating positions taken by both Canadian and United States negotiators at confidential meetings. Under those circumstances, I would ask the hon. member to withdraw his motion.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I have already put forward a motion to obtain the original documents, the minutes of the liaison committee which disclose all the things the parliamentary secretary has mentioned as being confidential discussions and positions. I cannot see any difference between having half the material out and the other half not out. I have to ask that this motion be transferred for debate.

Mr. Speaker: Transferred for debate.

[*Translation*]

Mr. Speaker: Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

[*English*]

ORAL QUESTION PERIOD

MANPOWER

ALLEGED REFUSAL OF WORK PERMITS TO IMMIGRANTS AND SUBSEQUENT FAILURE TO PROVIDE QUALIFIED CANADIANS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Is the minister aware of complaints from employers and the Canadian Manufacturers Associa-

tion that employers frequently send immigrant workers to manpower offices to apply for a work permit, and their applications are vetoed or turned down by manpower officials on the ground that there are qualified Canadians to do the job, and yet the same manpower offices are unable to supply the Canadians to do the job? Has the minister any explanation for this?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, if there are no Canadians available to do the job and a visitor or foreigner who is in this country is not otherwise disentitled from doing it, we will issue work permits. There are odd occasions when this has not worked out. I have had a conference with the directors general of immigration and manpower officials from across the country this morning on this matter, and any rough edges that may have occurred putting this into practice are being smoothed out. We have no desire to impede the operations of employers where work permits can be issued.

COMPLAINTS THAT COUNSELLORS OVERWORKED

Hon. Robert L. Stanfield (Leader of the Opposition): Have the minister or his officials made any response to the overwork grievances that have been received from a number of manpower offices in respect of Canada Manpower counsellors being overworked, and is this the reason for the situation that was described in my first question?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I think that the situation described in the first question of the Leader of the Opposition would be narrowed down pretty much to the Toronto area where there was a heavy volume. With regard to the workload of manpower counsellors, we have been aware that they are facing a generally heavy work load with all the additional programs they have taken on this past year. All grievances have been considered in accordance with the required grievance procedures. In fact, the staff resources of the department's field offices have been considerably strengthened to take care of increased workloads. Man-years allocated to field offices in the 1972-73 estimates amount to 8,672, which is an increase of 1,017 man-years or 13 per cent.

Mr. Stanfield: The minister has admitted that he has received overwork complaints in respect of manpower counsellors. Would the minister indicate what steps he is taking to enable the manpower officers to discharge their responsibilities, having instituted a work permit system and now presumably going ahead with new programs such as LIP? What does the minister propose to do to enable manpower officers to discharge the responsibilities that he has placed on them?

Mr. Andras: I think I just indicated to the Leader of the Opposition the increase in man-years in this year's allocations which are considerable and recognize the problems they are facing. I might say, with regard to the additional burden of work permits, that obviously there has been a special and I think short-term, one-time workload by virtue of the introduction of the system. I might say that 16,677 applications have been received for visas and approval was given and 10,624 visas were issued. Another 2,500 have been rejected. The rest are being processed. I think we will be over that hump very shortly and will return to a more normal stream, but it did create an extra burden for a short time.

* * *

INCOME TAX

APPLICATION OF CERTAIN SECTIONS OF ACT TO BENEFITS ENJOYED BY EMPLOYEES IN NORTHWEST TERRITORIES AND YUKON

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of National Revenue which I ask him at the request of my colleague, the hon. member for Northwest Territories who could not be here today. It arises out of widespread concern in the Northwest Territories and, I understand, in the Yukon as well, over the application of certain sections of the Income Tax Act dealing with benefits enjoyed by employees and paid for or subsidized by employers. I should like to ask the minister whether this matter is being studied by his department and other relevant departments.

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, there is a review going on about what subsidies, in particular housing subsidies, in the north might properly be subject to income tax. Further information has been requested by my officials from the territorial government, but I can assure the hon. member that until this review has been completed no territorial residents will be assessed or reassessed to include such subsidies in their incomes, and I will undertake to consult with the hon. member for Northwest Territories before any action is taken.

● (1530)

Mr. Lewis: Mr. Speaker, I have a short supplementary question. If the minister has not already done so, can he make certain that the representative of his department in Edmonton, which office services the Northwest Territories, is informed of the fact that there is such a review and that there will not be any re-assessment until the review is completed, so that Mr. Marlborough, or some name like that—I don't quite know the name—will not give the people in the north the impression that they come under the act immediately?

Mr. Stanbury: Mr. Speaker, I have so instructed.

* * *

[*Translation*]

FINANCE

BANK OF CANADA INTEREST RATE INCREASE—REPERCUSSIONS ON ECONOMY

Mr. Henry Latulippe (Compton): Mr. Speaker, I want to ask a question of the hon. Minister of Finance.

In the light of higher Bank of Canada interest rates and the attendant uncertainty amongst Canadians, can the

minister say if this increase will encourage bankers to raise their own interest rates while tightening credit restrictions?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, this is a rather debatable question and I would gladly answer the hon. member in more details on another occasion.

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

Would the minister not agree that this is one of the first sectors where interest rates and prices should be frozen in order to prevent investment restrictions, economic paralysis and spiralling consumer prices?

Mr. Speaker: The hon. member's supplementary is rather a recommendation to the minister and he must assume that the latter will consider it.

[*English*]

SUGGESTED CONSIDERATION OF TWO LEVEL RATE OF INTEREST—PROFIT POSITION OF CHARTERED BANKS—GOVERNMENT POSITION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is also directed to the Minister of Finance. Since he did not discuss with the Secretary of the Treasury, Mr. Shultz, the guaranteed exchange of international reserves, I wonder if he is considering with the Bank of Canada the problem of a two level rate of interest, one rate for large corporations and a different rate of interest for loans to small business and small farm people?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I met with the Governor of the Bank of Canada today and with the chief executive officers of the Canadian chartered banks, and reiterated the wish of the government, and I suspect of parliament as well, that priority be given to Canadian-owned small business in the allocation of loans. We did discuss the potential of a two level rate of interest but there are some difficulties, particularly in view of the fact that the Chairman of the Federal Reserve Board in the United States was forced to make that type of arrangement because of price control in the United States.

Mr. Nowlan: Mr. Speaker, without debating with the minister that part of his answer, has he given very strict terms of reference to the banks as to their potential profit level, and what are the guidelines for the profits of the chartered banks in view of their flexibility under the amendment that we had?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, after the bank rate was raised, I indicated to the Chairman of the Canadian Banking Association that if they were to raise prime rates I would like to see the spread remain the same. That was done, so that the profit potential of the banks has not been increased by virtue of the rise in the prime rate.

Oral Questions

SOCIAL SECURITY

PROPOSED COMMUNITY EMPLOYMENT PROGRAM—POSSIBLE EXTENSION OF LOCAL INITIATIVES PROGRAM

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. It refers to Proposition 3. Here I feel I am talking to Euclid. This has reference to the community employment program, which I find in the orange paper, followed by a number of questions and a reference to LIP. Has the minister anything in mind more than an extended Local Initiatives Program when it comes to the matter of the provision of community employment?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this is a matter which I would like to discuss with the provinces. In fact, I have already had the opportunity of discussing it with my colleague, the Minister of Manpower and Immigration, and we are now working at it together.

[*English*]

PROPOSAL WITH REGARD TO PENSIONS OF RETIRED RAILWAY AND ROYAL CANADIAN MOUNTED POLICE PERSONNEL

Mr. Heath Macquarrie (Hillsborough): I have one more supplementary from the orange paper. Could the minister advise what he has in mind to alleviate the problem of pensioners who are retired railway men and retired RCMP men?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this document deals with the establishment of a guaranteed income plan for all those who are unable to work, whatever their condition or the nature of their previous employment.

[*English*]

SUGGESTED ADVANCEMENT OF DATE FOR FAMILY ALLOWANCE PROGRAM—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. It has to do with the family allowance program. In view of the fact that the program, as announced, is simplified, and in view of the need of those children in this country who are living in poverty, could he at least consider advancing the date from January 1, 1974?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first I will have to discuss that matter with my provincial counterparts, have legislation passed in this House and, on top of that, obtain from the provinces a statement of intent as to how they would like to vary the payments made by the federal government. I think that the implementation of such a program and the consultations that will have to take place with the provinces in that respect will surely take a few months, and I

can hardly see how we could look forward to implementing such a program before January 1, 1974.

[*English*]

POSSIBLE LOWERING OF AGE OF ELIGIBILITY FOR OLD AGE PENSIONS—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Health and Welfare. In view of the fact that there was not any reference in the orange paper this afternoon to lowering the pension age to 60 years, I would like to ask whether or not he is still considering this, as he mentioned before the Standing Committee on National Health and Welfare?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, if during the Easter recess the hon. member can take the time to read the whole paper he will see that certain questions are raised with regard to that problem. That question is not ruled out in the working paper.

* * *

[*English*]

INCOME TAX

ALLEGED DELAY IN COMPLETING RETURNS BY TAX CONSULTANTS—REQUEST FOR EXTENSION OF DEADLINE FOR FILING

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is directed to the Minister of National Revenue. In light of the fact that some income tax consulting firms have stated that they will not be able to complete a large number of the income tax returns entrusted to them, and in light of the fact that taxpayers will be the ones to suffer from the delays caused by these firms, can he assure the House that he will extend the April 30 deadline for returns, or that at least he is seriously considering that possibility?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I think the hon. member did not hear my answer, a couple of days ago, to the hon. member for Palliser. I indicated that this course had been considered, but that we did not feel it was desirable. I would point out that there are certain other ways for people to avoid penalties and interest. It is quite simple, really.

Hon. members might be interested to know that already close to 7 million Canadians have filed their returns, and more than 2 million have already received refunds totalling some $300 million.

Some hon. Members: Hear, hear!

SUGGESTED EXTENSION OF DEADLINE FOR FILING TO PERMIT FARMERS TO TAKE ADVANTAGE OF SYSTEM OF AVERAGING

Mr. Gordon Towers (Red Deer): As a supplementary question, in view of the fact that farmers have to file their income tax returns on time every year in order to take advantage of the system of averaging, would the minister extend the April 30 deadline in case of late filing by farmers, due to the lateness and complexity of recent tax changes?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, the same information as I gave to the hon. member for Palliser applies to all taxpayers including farmers, but it should be noted that it is not the T1 form but form T2011 which must be filed by April 30, so far as the right to average is concerned. And of course where the farmer files a return with estimated figures by April 30, and his T2011 form by the same date, based on estimated figures, there should be no problem.

* * *

[*Translation*]

AGRICULTURE

ALLEGED IMPORTATION OF CATTLE CONTAINING DIETHYLSTILBESTROL—GOVERNMENT ACTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the hon. Minister of Agriculture.

In view of the fact that, to protect the health of Canadian consumers, the federal Department of Agriculture has since last January 1 banned the use by beef producers of DES, or diethylstilbestrol, as a stimulant to the growth of slaughter animals, can the minister say if he knows that we are now importing from the United States beef containing DES? If so, what does he intend to do to improve the situation?

• (1540)

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it is a fact that beef in the United States contains DES. We know that Canadian users are still using DES and Canadian beef still contains DES. It might be of interest to note that the import of cattle into Canada this year at this time is about one third what it was last year.

Mr. Speaker: Order, please. There are a number of hon. members seeking supplementaries on different questions. The Chair will first recognize the hon. member for Richmond on a supplementary, then the hon. member for York-Simcoe has a supplementary to a previous question and then the hon. member for Nanaimo-Cowichan-The Islands.

[*Translation*]

Mr. Beaudoin: I have a supplementary, Mr. Speaker. Since the hon. minister did say that Canadian users are still using DES and that his department did ask that DES be no longer used as a stimulant for the growth of animals, can the hon. minister say what he intends to do to put a stop to it?

[*English*]

Mr. Whelan: Well, Mr. Speaker, we have worked very closely with the United States and we have already allowed the use of Ralgro for implant by Canadian beef producers which has the same effect on the cattle. We are hoping that the United States will make an announcement

shortly on what they intend to do with DES, and we will be guided along those lines. It might be of interest also to point out that exports of cattle to the United States were up by 130 per cent over last year as of April 14.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for York-Simcoe and the hon. member for Nanaimo-Cowichan-The Islands.

* * *

SOCIAL SECURITY

INQUIRY AS TO ESTIMATED COST OF NEW PROGRAM

Mr. Sinclair Stevens (York Simcoe): Mr. Speaker, my question is for the Minister of National Health and Welfare. Could the minister estimate for the House the cost of the program announced today in its interim and wholly developed stages?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, concerning the cost of the family allowances program, I indicated in my statement that it will exceed $800 million, taking into account the recovery of taxes by the government and some reductions payments now made in other forms.

As to the balance of the program, it is impossible to give any definite figures right now, at least not before we have discussed the matter with the provinces to determine, if not final figures, at least the range of payments which will enable us to establish exact amounts.

The total amount will depend on the level agreed to between the federal and provincial governments.

* * *

[*English*]

ENERGY

APPLICATION OF INTERPROVINCIAL PIPE LINE COMPANY TO EXPORT OIL—REQUEST THAT CABINET WITHHOLD APPROVAL UNTIL NATIONAL ENERGY POLICY ESTABLISHED

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question to the Acting Prime Minister arises out of the application which is before the National Energy Board from the Interprovincial Pipe Line Company for additional capacity to ship crude oil to the United States. In view of the fact that the additional capacity is not required for Canadian needs during 1973 or 1974 and the main thrust of the application is for the shipment of some additional 98,000 barrels per day to the United States, I should like to ask the minister, in the event that the National Energy Board approves this application, if the government would give consideration to withholding cabinet approval until such time as the long awaited national energy policy has been designed and implemented?

Mr. Speaker: Order, please. That question appears to be hypothetical and I am not sure that a reply is required. Perhaps the hon. member might ask a supplementary or rephrase the question.

Mr. Douglas: On a point of order, Mr. Speaker, it is not hypothetical. We are going to leave here today and by the time we return the National Energy Board may have indeed reached its decision. I am asking if the government will withhold approval until such time as parliament has dealt with the national energy policy?

Mr. Speaker: Order, please. The hon. member's supplementary question does not sound as hypothetical as the first one. Perhaps the minister might like to reply to the hon. member's rephrased question.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will assume it was not hypothetical but that it was a suggestion to the government which will be taken into account.

Mr. Douglas: Mr. Speaker, in view of the fact that we are leaving here today until May 7, could the Acting Prime Minister give the House the assurance that the cabinet will not give approval to the application of the Interprovincial Pipeline Company until at least parliament has reassembled and the Standing Committee on National Resources and Public Works has had an opportunity of discussing this matter both with the minister and the chairman of the National Energy Board?

Mr. Sharp: Mr. Speaker, I cannot give that undertaking but I will give serious consideration to the suggestion.

PRESIDENT NIXON'S SUGGESTION FOR CO-OPERATION ON ENERGY, RESEARCH AND DEVELOPMENT—GOVERNMENT POSITION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is closely related to the one asked by the member for Nanaimo-Cowichan-The Islands and is directed to the Acting Minister of Energy, Mines and Resources who is, I presume, the Minister of Indian Affairs and Northern Development. In view of President Nixon's statement on energy this morning, has any decision been reached yet by the cabinet on responding to his suggestion for international co-operation on energy, research and development?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, President Nixon made his statement this morning and we have received it just before the question period; we did not have time to examine all implications. At first sight, we are satisfied that this will not change the Canadian position concerning oil exports. With regard to the hon. member's suggestion, I will advise the Minister of Energy, Mines and Resources.

Oral Questions

[*English*]

INCOME TAX

ALLEGED ERRORS BY DEPARTMENTAL ASSESSORS IN VERIFYING CORPORATION RETURNS—POSSIBLE DELAY IN HEARING APPEALS—GOVERNMENT ACTION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of National Revenue. It has been the experience of a number of corporations who have filed their income tax returns that errors have arisen in the verification of the returns by departmental assessors. Since there is a 90-day period during which appeal must be made and it is also a fact that the department is short of officials to hear the appeals, can the minister look into this matter in order to clear that difficulty and remove the possibility of injustice to the firms affected?

Hon. Robert Stanbury (Minister of National Revenue): I should be glad to look into that, Mr. Speaker.

ALLEGED DISCRIMINATION AGAINST MEN IN APPLICATION OF CHILD CARE EXPENSES PROVISION—GOVERNMENT POSITION

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, a supplementary question to the Minister of National Revenue. In reply to a question which I asked the hon. minister on March 1, 1973, regarding discrimination toward male parents under the "child care expenses" provision he was kind enough to send me a letter stating that this was a requirement of the law as passed by parliament and not as he would like to see it. In light of this blatant admission that discrimination toward the male gender does exist, could the minister inform the House whether he will take action to ensure that all parents faced with the difficult task of raising children on their own have equal opportunities to deduct reasonable child care expenses?

Some hon. Members: Hear, hear!

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, this question should more properly be directed to the Minister of Finance because the Department of National Revenue is obliged to administer the law as parliament passes it. I think the hon. member will understand, if he reads my reply to him carefully and for that matter if he looks at the law, that it is not just a matter of discrimination but an attempt to be sure that there is fairness in the application of this privilege and that one spouse does not take advantage of the other.

CHILD CARE EXPENSES—POSSIBLE APPLICATION OF PROVISION TO FARMERS' WIVES

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a supplementary for the minister. In light of the fact that working mothers are permitted allowances for child care, will the minister provide the same allowances to the wives of farmers who have to assist their husbands in the fields during the harvest and have to employ someone to take care of their children?

[Mr. Chrétien.]

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I will certainly be glad to look into that question for the hon. member, because I think his wife certainly deserves any consideration of that kind that is possible.

* * *

TRANSPORT

RECALL ORDERS ON MOTOR VEHICLES—POSSIBLE LEGISLATION TO COMPEL DISCLOSURE OF DETAILS OF DEFECTS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Could the minister tell the House if the government has any authority to compel Canadian automotive manufacturers to disclose the details of motor vehicle recall orders and if not, could he tell the house if the government contemplates bringing in such legislation?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I believe the subject of the hon. member's question falls more particularly within the responsibility of the Minister of Transport. I will be happy to discuss it with the Minister of Transport.

● (1550)

Mr. Lawrence: A supplementary question, Mr. Speaker. I wonder if I could direct the question, then, to the Minister of Transport.

Some hon. Members: Oh, oh!

Mr. Lawrence: Mr. Speaker, I really believe that a question to any minister in this House should be answered by the ministry and if ministers are not paying attention, I suggest to them that they should.

Some hon. Members: Hear, hear!

Mr. Lawrence: My question to the Minister of Transport, Sir, is whether he or anyone in the government has the authority to compel Canada's automotive manufacturers to disclose details of automobile recall orders and, if not, can he tell the House if he contemplates bringing in such authority or legislation soon?

Mr. Speaker: The Chair will allow the minister to reply. I certainly do not want to complicate matters, as the question has been asked twice, but I was tempted in the first instance to suggest to the hon. member that in the first part of his question he was seeking a legal interpretation and to that extent the question was not in order. However, the question has been asked twice and the minister might like to reply to the second part starting with "if".

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, everybody knows that many hundred times a year we visit the automobile plants, check designs and check everything that is related to the safety of passengers. In addition to that, when we know that there are defects in any cars, we notify not only the industry, but the provinces and the public, so that everybody is aware

that there is danger involved in those cars. Last year I think more than 800,000 cars were recalled and checked by the industry because of defects.

Mr. Fairweather: Did any cars work well?

Mr. Marchand (Langelier): I do not know about that. I do not know if—

Mr. Speaker: Order, please. Will the minister kindly resume his seat. The hon. member wishes to ask a supplementary. He will be allowed to ask it.

Mr. Lawrence: Mr. Speaker, I am just wondering. Obviously—

Mr. Speaker: Will the hon. member please resume his seat. He will be recognized in a moment. I am trying, and I am wondering if the hon. member will allow me, to remind hon. members that we will soon be running short of time if we spend four or five minutes on every question. There are a number of members in the back benches who again will not have the chance to ask questions. The hon. member for Northumberland-Durham is recognized.

Mr. Lawrence: Sir, I am afraid I cannot let that go without challenge.

Some hon. Members: Oh, oh!

Mr. Lawrence: Are you suggesting, Sir, that the delay of five minutes here is my fault?

An hon. Member: Yes.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Selkirk.

* * *

SUPPLY AND SERVICES

CF-5 AIRCRAFT—REASON FOR ADDITIONAL PURCHASES

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Minister of Supply and Services and relates to an answer received in response to Question No. 1277 on the order paper which was answered today. From the answer the House received the information that of the initial order of 115 CF-5 aircraft, over half are not now in use by the Canadian Armed Forces but are, rather, sitting uselessly in storage or have been sold. In light of that fact, may I ask the minister why an additional 20 have been purchased?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I will first study the question and then give an answer to the hon. member.

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to put a question to the Minister of National Health and Welfare, but since he has left, I will ask it after the Easter recess.

[*English*]

POLLUTION

LAKE SIMCOE—GOVERNMENT ACTION TO PREVENT FURTHER POLLUTION BY PHOSPHOROUS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to direct my question to the Minister of the Environment. In view of the fact that the Department of Agriculture has recently released a report indicating that phosphorous has become a major pollutant in Lake Simcoe, may I ask what action is being contemplated by the Department of the Environment to prevent further pollution of this lake and, in particular, of the Holland Marsh area?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, Environment Canada is working closely with the Department of the Environment for Ontario in an attempt to solve the problem. We have, ourselves, taken action with respect to detergents. The research facilities of the Canadian Center for Inland Waters are also involved. This is a co-operative federal-provincial program.

* * *

ADMINISTRATION OF JUSTICE

ESCAPE OF JEAN MOISAN WHILE ATTENDING HOCKEY GAME—GOVERNMENT POLICY ON TEMPORARY ABSENCES

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Solicitor General, and is with regard to the escape last evening of Jean Moisan from Cowansville Prison while he was attending the hockey game in Montreal. I wonder if the minister can explain to this House the circumstances under which Mr. Moisan was attending the hockey game?

An hon. Member: He was washing the rink.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, two inmates from Cowansville Penitentiary were granted a pass to attend the hockey game under escort.

Mr. Reynolds: How did they get the tickets?

Mr. Allmand: At the end of the game, one of the inmates disappeared and the guard returned to the penitentiary with the other inmate. I am afraid that we do not have a report on the inmate who disappeared.

Some hon. Members: Oh, oh!

An hon. Member: Who won the game?

An hon. Member: Montreal won the game.

Some hon. Members: Oh, oh!

Mr. Allmand: I am quite happy that the series has now moved to Philadelphia.

Mr. Reynolds: A supplementary question, Mr. Speaker. I realize that this can make a funny story, but I do not think it is a joke. Can the minister explain, inasmuch as there are colour TV's in prison, if it is government policy to give

$15 hockey tickets to inmates, to enable them to attend hockey games?

Mr. Allmand: Mr. Speaker, I do not know if the tickets were bought by the penitentiary service. What we are trying to do in the penitentiary system is set up a series of incentives—

Some hon. Members: Oh, oh!

Mr. Allmand: —whereby men can earn privileges like these from time to time. It is regrettable that this incident happened. On the whole, as I pointed out last year, we issued 63,000 temporary absence passes and less than one half of one per cent ended in failure.

Some hon. Members: Hear, hear!

* * *

HIGHWAYS

FORT NELSON-FORT SIMPSON ROAD—INQUIRY AS TO COMPLETION OF FEDERAL PORTION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development. Is he aware of a statement made by the Minister of Highways in the province of British Columbia recently regarding the Fort Nelson-Fort Simpson Road? Has the minister now, in light of that commitment by the provincial government of B.C. to immediately begin construction of their portion of the highway, realigned his priorities and committed the federal government to complete that section of the road that is under federal jurisdiction?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to note that the government of British Columbia has again changed its mind, but I am in a rather difficult position, since it had stated last fall that nothing would be done. I therefore set up the departmental priorities accordingly but since the government of British Columbia has changed its mind, I will reconsider the problem. However, I cannot promise to alter this year our construction plans in the North. If they had not changed their minds, I would not have to change our plans.

[*English*]

Mr. Speaker: Order, please.

* * *

AGRICULTURE

POSSIBLE PHASING OUT OF PRAIRIE FARM ASSISTANCE PROGRAM—GOVERNMENT POSITION ON CROP INSURANCE

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of Agriculture. I wonder if the minister can inform the House whether or not the government intends to carry on with the Prairie Farm Assistance Act program this year in light of the moves which have been made in relation to crop insurance. Last year a conflict developed in that many producers bought crop insurance, realizing that if they gained anything under it they could not collect from PFAA. Can the minister inform us about the future of the PFAA program this year?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it is still our intention to follow up the announcement of the government in 1972 that PFAA would be phased out. The program is only being carried out in one or two parts of the province of Alberta this year. Crop insurance is what we advise people to take out.

Mr. Speaker: Order, please. I remind hon. members that there are too many supplementaries. I am trying to see as many members as possible before the end of the question period.

POSSIBLE USE OF PRAIRIE FARM ASSISTANCE FUND AS DISASTER FUND

Mr. Bill Knight (Assiniboia): A supplementary question, Mr. Speaker. In view of the fact that the Prairie Farm Emergency Fund under PFAA now contains some $14,910,000, can the minister inform the House if this fund is to be revised, in the sense that it is to be used as a disaster fund, as farmers all across southern Saskatchewan and Alberta face the real possibility of drought and a grasshopper plague this coming year.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, a disaster fund is probably a very good suggestion. When you check the record as to what the government has paid out in disaster areas in which farmers have not taken out crop insurance and where PFAA has been inadequate, you will see that the fund certainly could be useful.

* * *

● (1600)

TRANSPORT

SAFETY REGULATIONS FOR SMALL BOATS—POSSIBLE MEETING BETWEEN MINISTER AND OPERATORS TO DISCUSS CHANGES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I wish to address a question to the Minister of Transport. It is following up on one I asked him recently. Can the minister inform the House if he will have the regulations governing passenger ships amended so that small boats operated for pleasure, such as taking people out sports fishing, will not come under the regulations which require such vessels to carry self-inflatable life rafts, provided the other safety regulations are not diminished? In this connection, will the minister have the officials of his department meet with the operators to see if some common ground can be arrived at?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, since we can make regulations, there is no doubt we can change them. The problem is whether it is wise. Will changing the regulations show the people in those craft how to swim? We must make inquiries to ensure that

if we change the regulations, the safety of the people will be assured.

* * *

AGRICULTURE

FERTILIZER—ALLEGED SHORTAGE CREATED BY UNITED STATES PURCHASES—GOVERNMENT ACTION

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is for the Minister of Agriculture. It is of some urgency since prairie farmers may well be starting to plant their crops. Is the minister aware that American interests are buying up large amounts of fertilizer in western Canada and that our own farmers are unable to obtain sufficient supplies for their needs?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this is a new matter that has been brought to my attention. I have been checking reports about fertilizer supplies not being available. Most of the inquiries we have made have shown that this is not so. If the hon. member has new evidence, I would be glad to look at it and take the appropriate action. Canadians must be served first, especially by those plants which received DREE grants—

Mr. Speaker: Order, please.

* * *

FINANCE

DIFFERENCE IN BANK RATE BETWEEN CANADA AND UNITED STATES—GOVERNMENT ACTION

Mr. James Gillies (Don Valley): Mr. Speaker, I wish to direct a question to the Minister of Finance. Due to the fact that one of the major reasons for the rise in the bank rate in Canada is the differential in rates between Canada and the United States, does the minister believe the change in the United States today will require a rise in the bank rate in Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not think the hon. member would want me to speculate.

* * *

ADMINISTRATION OF JUSTICE

REQUEST FOR ACTION TO REMOVE DRUG TRAFFICKERS FROM ROCHDALE COLLEGE

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is to the Solicitor General. In view of the fact that the public's tolerance and patience respecting Rochdale College in Toronto is almost at an end, and that an open confrontation between citizens and ratepayers groups of metro Toronto and residents of that college is developing this very day, and in view of the fact that Rochdale has clearly defaulted on its CMHC mortgage and the Minister of State for Urban Affairs has refused to take action, will the Solicitor General advise what action he is prepared to take to clean up this place and convert the building into something more useful than the haven for drug traffickers which it is now?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I rise on a question of privilege. The question stated by the hon. member is totally without foundation. The federal government, through the instrumentality of Central Mortgage and Housing Corporation, has been taking every possible action to take possession. We have to obey the law and the order of the Supreme Court of Ontario which refused to give us possession. It was at our suggestion and request of the courts that a receiver was appointed to act on behalf of the creditors. That is the position we are enforcing in order to foreclose with all possible diligence.

Some hon. Members: hear, hear!

Mr. Speaker: Order, please. The minister rose on a question of privilege. I suggest it was a point of debate. I must remind the hon. member for St. Paul's that his question did allege facts and to that extent it was not in order. The hon. member might like to rephrase his question or ask a supplementary.

Mr. Atkey: To the extent there is evidence available to the government to the effect there has been a substantial amount of drug trafficking in Rochdale College, what action is the Solicitor General prepared to take?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, whenever there are infractions, the RCMP does its best to enforce the Narcotics Act. I will have to get a report with regard to all cases involving Rochdale College. I will do that and give the report to the hon. member.

* * *

TRADE

CANADA-UNITED STATES AUTO PACT—CANADIAN PROPOSALS

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. It concerns the Canada-U.S. auto agreement. In view of the tough line the Americans seem to be taking with regard to the agreement, does the minister have an alternative plan to the present agreement that he can put into effect as a bargaining lever?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I answered that question yesterday, as I have on previous occasions. I indicated to the House that we are prepared to entertain improvements in the working of the auto pact, provided there are the necessary protective devices to ensure that Canadians will have a fair share of the North American market.

Oral Questions

EXTERNAL AFFAIRS

GOOSE BAY AIR BASE—LAY OFF OF CANADIAN CIVILIANS—POSSIBLE REPRESENTATIONS TO THE UNITED STATES

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the layoffs of Canadian civilians at the Goose Bay air base on Monday and the problems with regard to pensions and severance pay, can the minister inform the House whether an approach was made to the government of the United States and what was that approach?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I understand that few Canadians are to lose their jobs as a result of the new arrangements at Goose Bay, because the Ministry of Transport will be hiring virtually all the civilian employees now working for the United States air force. A small number of what the United States air force calls "non-appropriated fund employees" may become unemployed. This group is not entitled to the same pension and other benefits as those employed directly by the U.S. air force. However, we have asked the United States government, through diplomatic channels, to give sympathetic consideration to their case.

* * *

FINANCE

TARIFF ON IMPORTATION OF BEEF AND BEEF CATTLE—GOVERNMENT POSITION ON RE-INTRODUCTION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I wish to direct a question to the Minister of Finance. Is it the minister's intention to re-introduce the tariff which he unilaterally took off on February 20, 1973, on the importation of beef and beef cattle to Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are reviewing all manufacturing and agricultural products that may or may not be adversely affected, either by way of employment or production. We are reviewing cattle and beef along with the rest of the items.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Perth-Wilmot and then call orders of the day. I apologize to the hon. member, but he will notice that we have gone beyond the time allotted for the question period. I was trying to recognize a number of hon. members without supplementaries. That is why I will recognize the hon. member for Perth-Wilmot and then call orders of the day.

Mr. Dick: Mr. Speaker, I rise on a question of privilege. On the last occasion on which I asked a question in this House, I rose on nine consecutive sitting days before I was able to do so. Before I was able to ask this question I have risen on five consecutive days. Following the recess, Your Honour might consider the possibility of looking into the corners of the House more frequently.

Mr. Speaker: I look in all corners, including that of the hon. member. I certainly have no objection to allowing the hon. member a supplementary. The Chair will then recognize the hon. member for Perth-Wilmot and then call orders of the day.

Mr. Dick: I wish to direct my supplementary question to the Minister of Agriculture. Has the minister made representations to the Minister of Finance to have the tariff on beef and beef cattle imports reintroduced?

Hon. E. F. Whelan (Minister of Agriculture): Yes, Mr. Speaker. We have discussed this on many occasions. We in the Department of Agriculture are watching for evidence that there may be some damage. As I stated earlier in reply to a question, the movement of cattle to the United States is far greater than ever before and the movement into Canada from the United States is far less than ever before.

* * *

AGRICULTURE

CATTLE—POSSIBLE RE-INSTATEMENT OF USE OF DIETHYLSTILBESTROL OR PROHIBITION OF IMPORTS FROM UNITED STATES

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Agriculture. Because most members of this House who represent rural areas in Ontario, including I presume the Minister of Agriculture, are presently being inundated by correspondence from constituents who are beef producers, will the minister advise if he proposes to reinstate the use of DES implant or, in the alternative, to refuse entry to Canada of U.S. live slaughter cattle and dressed beef, one of which decisions appears necessary by May 1, the end of the 120 day withdrawal period?

• (1610)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have stated before that we would not see the beef producers of this country hurt in any way, and they are not being hurt. Some of the statements that are being made by members are more likely to hurt members of the beef industry than anything else since most of them are not accurate.

Mr. Speaker: Is the hon. member for Timiskaming rising on a point of order?

Mr. Peters: Mr. Speaker, I should like to raise a point of order with the President of the Privy Council concerning the question period and its operation. I think my point of order affects most of the members of this House.

Since the advent of research assistants we have had two parts to the question period. There is the formal part of the question period consisting of written questions prepared from other sources which are presented to Your Honour in the form of a list. Then, there are other questions. I suggest to the President of the Privy Council who acts as government House leader, on behalf of the Speaker, that he meet with the other political parties and either formalize this arrangement or eliminate it. As an individual member of this House, my privilege is the same as that of any other individual member. There are no lists of

members who are supposed to be first since that is your choice, Mr. Speaker. I think it is an affront to Your Honour, an affront to me and an affront to a lot of Members of Parliament, that you are given a list by the parties and are expected to call the names in the order listed so that prearranged questions can be asked.

If it is the wish of the House to follow this practice, I suggest that the President of the Privy Council, as House leader, should prepare a formula to implement this arrangement so that Your Honour is no longer abused. I think this would eliminate much of the dissatisfaction that is apparent. I raise this point, not because there has been any particular abuse today, but simply because this is a device that is being used by the parties rather than by individual members of the House. Your Honour is being asked to do something that may be in conflict with your obligation to each and every member as equals in this House.

Mr. Speaker: I will not comment on the point made by the hon. member for Timiskaming, but I cannot resist commenting that the Chair has never felt bound by any list submitted to it. When whips or other representatives of parties have made suggestions to the Chair as to the order in which the original questions ought to be asked, I have received such suggestions as suggestions only. Hon. members whose names do appear on these lists know that this is not always a guarantee that they will be recognized. Orders of the day.

GOVERNMENT ORDERS

CROP INSURANCE ACT

REIMBURSEMENT TO PROVINCES FOR PARTIAL ADVANCES ON CROP INSURANCE PREMIUMS

The House resumed, from Thursday, March 29, consideration of the motion of Mr. Whelan that Bill C-129, to amend the Crop Insurance Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise to participate in this debate because of the importance of crop insurance to the constituency of Assiniboia and to western producers in general. Since the crop insurance program was introduced major changes have taken place, mostly at the provincial level, to make the program more attractive to the producers. The members of this party look forward to getting this bill through the House in order to reduce the premiums paid by farmers for crop insurance. Already farmers are purchasing crop insurance for this year, hoping that federal Members of Parliament will pass this legislation and reduce the premiums.

I asked the Minister of Agriculture (Mr. Whelan) some questions today pertaining to crop insurance and the difficulties being experienced by farmers in my area. When the crop insurance program was introduced, the intention of the government was that it replace the Prairie Farm Assistance Act to a large degree; I am sure the minister

agrees with that. Many farmers found that particular act to be inadequate for their purposes. Once every five years my area dries out, and the farmers found PFAA to be of advantage to them.

With the introduction of the crop insurance program, it was assumed that PFAA would be phased out. Nevertheless, it continued in force last year, though the government had ceased to take the 1 per cent dockage, if I may call it that, on bushels of grain moved by western producers. In some areas the federal government paid out, and although one cannot complain at any pay-out made by the federal government, it did create some complicated situations.

The major problem was this. Under the Crop Insurance Act the benefits might be somewhat limited compared with amounts collected under PFAA. With the government holding up its decision on PFAA last year, many western producers in south and southwest Saskatchewan, not knowing whether it would be in operation, bought crop insurance. Then when the fall came the federal government decided, it being an election year, to continue PFAA in operation, and many farmers found they could not collect. Farmers all through the Bengough and Minton areas in my constituency were caught in a cross-fire between the two programs. I think this is one of the major reasons the percentage of votes gained by the Liberal party in this area was no higher than 14 per cent.

If PFAA continues in force, this complication will still exist. I have placed a motion on the order paper in my name which reads as follows:

> That, in the opinion of this House, the government should consider the advisability of amending legislation to enable farmers to receive the benefits under the Prairie Farm Assistance Act, whether or not they are receiving at the same time benefits under the Crop Insurance Act, and to provide for additional funds to be made available for the grassland incentive program.

The reason I am moving that motion is to try to clear up the situation if both PFAA and crop insurance are available in any one year. The latter part of the motion relates to the grassland incentive program, and I am pleased to see that the government has answered the plea for increased funds for that program. Now many young producers in my area wishing to go into beef production can take cultivated acreage out of production.

In the area of crop insurance you have PFAA being phased out and the crop insurance program coming in. As I pointed out during the question period today, the sum of $14,910,286 is left in the prairie farm emergency fund under PFAA. What we should be examining this year, particularly this spring, is a program that overlaps with crop insurance if there is widespread disaster. The hon. member for Peace River (Mr. Baldwin) would be able to tell the House about the disaster in his area last year. We in southern Saskatchewan have experienced a winter of very little snow. I am told that the Souris River, which runs through part of my constituency, is down by at least a foot and a half this spring since there has been no run-off. Producers in the Scout Lake area of Saskatchewan are saying that their dug-outs have gone dry, and I can well believe them. We are facing one of the driest springs on the Prairies this year that we have faced for a long time. Because of lack of snowfall, we had one of the must unusual winters in a decade. We are also faced with

an outbreak of grasshoppers in isolated areas. We cannot expect any assistance from the federal government in this regard. As a result of these two facts and the predicted drought this year, we are facing potentially one of the worst years in decades.

● (1620)

This government should move now to ensure that the PFAA remains constituted in such a way that if we are hit with an over-all disaster this year, there will be some relief forthcoming. This may require amendments in respect of crop insurance. In southern Saskatchewan and southern Alberta, in what is known as the Palliser triangle, we have no grain left to move. This is mainly the result of the Lift program. I know the Minister of Agriculture does not like that program which encouraged the farmers not to produce. We appreciate that fact and hope the minister will make sure that such a program is not attempted again.

The PFAA now has an emergency fund of over $15 million which could be used as a catalyst in setting up an over-all emergency program in the event that we in fact face the kind of year that is predicted for western producers. They are an optimistic lot and are still looking forward to some rain in the month of April. In spite of that, the producers on the Prairies face the real possibility of a drought this year as well as an outbreak of grasshoppers. In addition, the world situation lends itself to the belief that we will have a food shortage on a worldwide basis. If we are serious about keeping producer incomes at reasonable levels to ensure that they stay in business we must follow the lead, in respect of crop insurance, provided by the kind of amendments adopted by the government of Saskatchewan under its minister of agriculture, Mr. Messer. Those amendments represent substantial changes and have resulted in a greater number of farmers taking out crop insurance.

We need an over-all disaster plan or insurance fund in order to meet the situation should we be hit with a disaster this year; and this is a potential danger. I am sure the minister has difficulty in obtaining additional funds from Treasury Board, but there is an emergency fund in existence now under PFAA. Perhaps he could use this fact to persuade Treasury Board to give him more money for the establishment of an emergency fund for the assistance of producers in this country. I am sure that if the minister followed this suggestion he would go into the annals of this country as having done something very real for the western producers.

As the hon. member for Assiniboia, I would be more than willing to give the minister at least part of the credit: I would not take it all. If he followed this suggestion, I am sure he would be invited to attend the farm forum again next year—he attended this year—and could then give an excellent speech on the creation of the disaster fund. I seriously urge the minister to consider crop insurance in that context and the concept of a disaster fund.

Crop insurance is one mechanism used in creating adequate incomes for the producers. Crop insurance is selling well this year in Saskatchewan, particularly in my area. I suggest this is the result of the substantial changes made by the Saskatchewan government. However, there are other problems relating to farm income in respect of which change is required, and the change I have suggested should be initiated by the federal government.

I want to be positive about these matters. As an indication of that desire I compliment the Minister of Regional Economic Expansion (Mr. Jamieson) for the increase in funds to build larger dug-outs under PFRA. This was a very good move and indicates what can be done when the minister is willing to listen and accept suggestions of members of the opposition.

An hon. Member: Now, we need water to fill them.

Mr. Knight: Yes, we now need water to fill them. If the minister can accomplish that for us, we will be indebted to him. I compliment the minister for listening to that suggestion and making the necessary change. Let me also compliment the Minister of Agriculture for his announced changes in respect of the grassland incentive program. I spoke with at least a dozen young people after the last election who informed me they will be taking advantage of this increase in funds. They are interested in diversifying their operations by going into cattle production. I do not like to take all the credit, but I think I should take some as a result of the increase in funds under PFAA for dug-outs and the increase in respect of grassland incentives.

Let me point out some very serious problems in respect of grasslands. I hope Air Canada does not mind that I used my boarding pass for making notes of what a producer told me during my trip to Ottawa. He pointed out that in order to stabilize farm income, producers were diversifying their operations. Many of them are beginning to raise cattle. In this regard I must point out that farmers are facing serious problems in respect of community pastures. The Minister of Regional Economic Expansion and the Minister of Agriculture must take this fact into consideration in relation to stabilizing the income of western producers.

As an example of the situation I would point out that 1,200 head of cattle were turned away from the community pasture land around Mount Hope, in the Semans district, because of lack of space. I hope the hon. member for Regina-Lake Centre (Mr. Benjamin) does not mind my using figures in respect of his area: I know he is concerned about the community pasture situation around Nokomis, where 1,100 head were turned away. This area is very good cattle producing country. However, it is not nearly as good as the country in my area of Saskatchewan. If 1,200 head have been turned away from pasture land at Mount Hope and 1,100 head at Nokomis, I suggest that is peanuts in comparison with the number of cattle that will be turned away from community pasture land in the southern part of the province. This is becoming a very serious problem and the government should move under PFRA to increase the funds to be used for the purchase of additional community pasture land.

Let me give the House an example of what I have in mind. A large ranch in the Carlyle district recently went bankrupt. It had been financed by the Industrial Development Bank which is operated under the auspices of this government: it does not do much for small or medium size businesses but it did finance this large operation which

recently went belly up. The Industrial Development Bank took back this large unit of land. Here was an opportunity for the government to purchase this large unit of land through PFRA funds and turn it into community pasture land. Had this been done, the pressure would have been taken off community pasture lands in south central and southeastern Saskatchewan. Such action would provide a considerable degree of assistance. This is not a big thing in the sense of national over-all policy, but it is fundamental if we want to be sure young people undertaking the raising of cattle will have some hope of success.

I know of another rancher of long standing in another area who is prepared to sell out a very large unit of land. This land could be purchased with PFRA funds and used for community pasture. The provincial government has made some progress in this direction. However, a great deal more progress could be made if the provincial and federal governments co-operated in this regard as well as in the establishment of a national, farm disaster plan initially using the emergency funds of PFAA.

● (1630)

I take pleasure in the fact that the bill will bring down the cost of crop insurance to the farmers. I am pleased to see the increase in the funding of the grasslands incentives program which is a voluntary program. I am glad to see also the increase in funding to permit larger dug-outs under PFRA and the increase in funding to allow for the establishment of more community pastures wherever they can be established. These provisions will contribute in a substantial manner to the development of a diversified, well-planned farm operation in western Canada. A producer of beef who wishes to expand his herd, and is told by government to diversify, will know that the government at least is moving in the direction of auxiliary programs to ensure that he can diversify. He will have an opportunity to obtain pasture land, and should there be a disaster in southern Saskatchewan or southeast Alberta, he will know that there is a national farm disaster plan with large contingency funds to meet that disaster. This knowledge should be especially comforting this year in view of the danger of a very severe drought as well as a severe outbreak of grasshoppers.

In conclusion, I say that westerners are always optimistic. We have had to be like Newfoundlanders in that we have had to depend on the weather so much that we have learned to be very optimistic and to live with the weather. We are still optimistic that, in fact, this year we will not face a disaster in the form of a drought. The minister's speeches are piled up in my office and I have been diligently reading them in search of some action which I have not found. After diligently reading them, I hope to see the piles of paper turned into an over-all comprehensive program which will protect the producers in this country should they face a real disaster in the form of drought and grasshoppers.

Mr. Jack Murta (Lisgar): Mr. Speaker, in rising to take part in what I believe to be the conclusion of the debate on crop insurance legislation, I should like to say to the Minister of Agriculture (Mr. Whelan) that I regret that the government has seen fit to use in crop insurance legislation as what is commonly called in this House "filler" legislation. It seems to me this piece of legislation is too important to be treated in this manner. It is also unfortunate that when the legislation was introduced some weeks ago the government did not see fit to continue the debate of the following day, so that the bill could have been dealt with in the House of Commons and moved on to the Agriculture Committee. I know from talking to some ministers of agriculture across the country that this legislation is being awaited at the present time. A good many programs and possibilities hinge upon what the provinces will be doing this coming spring. Also I believe the farmers are looking forward to this legislation as possibly being a little better vehicle than we had before in Canada for at least a form of crop insurance.

The way in which this piece of agricultural legislation has been brought in I think is, to some extent, typical of the attitude the government has had toward agriculture. We have a Minister of Agriculture who has done a good deal of speaking across the country of late. Like the hon. member for Assiniboia (Mr. Knight), I have read his speeches but I have not been able to find much in them. He seems to have been patting farmers on the head and saying that everything is all right, that he would stick up for them. However, that really is as far as he has gone. It seems the government has the attitude that while prices are high, as a result of the supply and demand situation, this is the time to sit back and not really look to see whether any improvements can be made in the field of agriculture. I think this is too bad. I certainly hope the Minister of Agriculture realizes this. After reading his speeches, I have yet to find that he has given any direction to farmers' programs or agricultural policy.

The farmers of Canada are asking questions. They are asking questions individually and also within their farm organizations. They are continuing something this year which started last year and which I believe is very good. They are starting to challenge some of the systems we have had over the past few years. This really is the time to challenge these systems. I refer to the marketing system, the transportation system, the feed grain system and the system of marketing within a world or global context. If the inquiring and searching were done in times of low prices, there could be a tendency to look at it as a panic situation or a very emotional situation. If this were to happen it could cloud our whole thinking. The only thing the minister has come up with has been that this year he wants the farmers to grow all the grain possible. I think he used the statement "to beat the band". There has been no clear, definite direction, except by the minister responsible for the Wheat Board, as to what the government would like.

Statistics Canada published an indication of what the farmers intended to plant this year. It revealed that the farmers do not have the kind of confidence we would all like to see. I think the attitude taken by the Minister of Agriculture towards Canadian farmers is not good enough. The minister seems to be woefully lacking in his duty to the Canadian farmer. I say in all sincerity that he must give an indication of the direction in which the government is going. He must start raising questions of a challenging nature with the people engaged in agriculture concerning what should be done. It is my thinking, and I certainly think the thinking of the Conservative party,

that the basic philosophy behind any approach to agriculture—and I say this because crop insurance is certainly a part of it—must be that the total expansion of our agricultural output here in Canada should be directed toward three areas. The first would be exports. What can we do to increase our exports above what they have been to the present time? Markets which are given to us are easy to secure, but markets which one must search for and hold through aggressive marketing, are another thing.

The second area is secondary processing. I think it has become an accepted fact that the number of Canadian farmers on the Prairies will not increase by any significant amount. If we want to have rural areas—and there is not one member in this House or a person anywhere who does not wish to have viable rural areas—we can only have them if we have a secondary processing industry linked closely with agriculture. This can be done. There also must be greater producer incentive. I do not believe the Minister of Agriculture has given any incentive to producers. The government itself has done little in this area.

● (1640)

There will also have to be a drastic reorganization of the Department of Agriculture. We have found over the past few years that the department should become more producer oriented, less bureaucratic, and less rigid. It must be able to co-operate more effectively both with the provinces and with private business, to seek out and expand new markets, and also to prepare legislation such as the bill now before us. I think the Department of Agriculture headed by the minister, along with other government departments, should be aware of the fact that a balance must be achieved between primary producers and secondary processing industry in the rural areas of the country.

I have made these comments because I think it is time that they were made in the House of Commons. Many people assume, probably rightly so, that the federal goverment is still using the psychology of Lift, in other words, withdrawing productive areas in times of over supply. It is time that this idea was expelled from the Department of Agriculture, and this can only be done if the minister decides to give direction and to do more than just talk to farmers to soothe them or to pour oil on troubled waters. In fact, this is all that he is really doing and that is why there has not been any leadership from him.

So far as crop insurance is concerned, we in the Conservative party find no insurmountable objection to the legislation that has been presented, but when the bill goes to committee we certainly intend to put questions and make suggestions with regard to the general objective of the legislation. It is significant that the number of farmers participating in crop insurance has actually dropped over the past year. In 1970-71 there were 55,000 but in 1971-72 the number went down to 46,000, The question that must be asked is why only 20 per cent of the total farming population is making use of this kind of insurance. There must be some glaring faults in the program. The question that must be asked is whether the 25 per cent increase in the federal government's contribution to this program will overcome the faults in it. Frankly I do not believe so.

I think that one of the faults which can be found with the crop insurance program is that until this time at least—I hope this will change, and once again it is up to the Minister of Agriculture to provide the necessary stimulus—the Department of Agriculture has not promoted the program sufficiently in various provinces. This is part of the job of the federal government. If it wishes to sell the insurance, it must do so on a businesslike basis and it must be done more efficiently and knowledgeably. Also, I believe that insurance legislation must be tailored more to managerial ability. A few years ago this may not have been necessary, but at present farming can no longer be called a way of life; it is a highly complex business involving a great amount of money.

The ability to manage a farm, demonstrated through records or through some other device over a period of time, should be seriously considered by the government in assessing crop insurance. I also think the over-all administration of the program should be improved so that a larger number of farmers can gain a greater degree of confidence in it. This is another aspect that has not been referred to. The federal government is deeply involved in the program, but its administration is left up to the ten individual provinces. At times this becomes very confusing, not only from the federal point of view but also from the provincial point of view. Once again this is where the minister should provide the necessary impetus to improve the administration of this program, at least at the federal level. It is my opinion that if this program is to be acceptable it should include hail insurance, fire insurance and also wildlife damage because we find that these three factors contribute to a large extent to the lowering of the yield and in some cases they virtually wipe out the yield in various parts of Canada. I certainly think that such additional insurance would make the plan much more acceptable to the entire farming community.

It was mentioned by the hon. member for Assiniboia that a disaster or emergency plan should be included in the legislation. Judging from what happened in the Peace River area this year, this request is justified. I am referring to a disaster or emergency plan being administered in such areas as the Peace River area. I have had some discussions with the Minister of Agriculture on this, and I think that what the government has been doing until now has at times been totally unacceptable. The farmers in the Peace River area have experienced crop failures because of the location and because of the climate more often than any other areas in the country.

The crop insurance program as proposed at present, even with the amendment which the government has brought in, I do not believe will allay the fears that farmers have. Special compensation for crops that are damaged under snow, for example, should be given serious consideration. Perhaps as much as 50 per cent of the value of the crop should be payable when it is under snow. The minister is aware, I am sure, that even if a crop is damaged by snow and the farmer is able to recoup some of it in the spring, its quality and weight as well as its market value have deteriorated. There is a definite justification for the setting up of some kind of disaster or emergency plan in these cases. I think such a plan could be worked out, and I do not think it would have any significant effect on crop insurance. I think that if the emergency plan were worked out properly, crop insurance would still remain the

number one plan for protection. I think the minister should give serious consideration to this suggestion.

As I mentioned before, total emphasis is put in the bill on the provision of an extra 25 per cent in premiums. This seems to be the basis of the government's assumption that the program will work. The government is just going to pump more money into this insurance program and believes that doing so will make it more acceptable. Once again I say that I question this assumption. Anything we did in the past along this line of pumping money into a program did not really have that great an effect.

● (1650)

In closing, Mr. Speaker, I hope the Minister of Agriculture will take note of some of the points I have raised. It is very important that agriculture be given some direction, because at present we have just been fortunate enough to benefit from the misfortunes of others. Crop insurance is one area that is being looked at at present as it relates to a total agriculture policy, but it is a very small area, although a necessary area. As I said before, insurance is a vital thing in agriculture, as in any other occupation. I hope that the suggestions I have made this afternoon will be brought to the minister's attention. When the legislation comes before the committee I hope we will get some answers for these problems, and possibly we can work together in committee to make the bill more acceptable and better adapted to farming in Canada.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to say at the outset that I was very anxious to take part in this debate on behalf of the farmers of my constituency. I believe it is a duty for me to do so, for I had formally committed myself in that respect, and I have also had the opportunity to take part many times in the committee proceedings.

As the minister is in the House as usual, when we deal with important agricultural questions, I should like to make a few observations that were suggested to me by the farmers of my constituency, as well as by the farm organizations with which I am regularly in contact. And those meetings have enabled me to secure very useful information. I often get good advice from certain colleagues who have more experience than I have in agriculture, but I believe it is in this way that I can better serve those I represent in this House.

I see that the hon. member for Richelieu (Mr. Côté) glanced at me. It is true that I seek advice from him from time to time, and I do the same with the Progressive Conservative member for Kent-Essex (Mr. Danforth). Both of them often gave me excellent advice and information and I avail myself of this opportunity to thank them.

I am also pleased to see a member from eastern Canada. A year ago, I had asked the Prime Minister (Mr. Trudeau) whether he was considering the possibility of appointing a Minister of State responsible for the Department of Agriculture, to represent Eastern Canada, in view of the fact that the farmers' problems are quite different from one region to the other, I realize that after the election of October 30, we not only have a Minister of State but a Minister from Eastern Canada and who will naturally have a better understanding of Eastern problems. Moreover, I do not think western farmers can be shocked since the minister responsible for the Wheat Board (Mr. Lang) is from the West. Therefore, I think this distribution is quite fair.

I would like to speak about the federal government contribution which will amount to 50 per cent of the premiums. I think that the change made this year, to the effect that the provinces will only pay for administration costs, was desirable. This is a considerable advantage for the provinces and I must support the passage of this bill as all hon. members.

I would also like to invite the Minister, in the light of the information I have secured, as I said earlier, to discuss possible changes which, in my opinion, must be made.

For instance, it is regrettable that the evaluations made of damages sustained a few years back are obsolete because the yield per acre has of course increased thanks to processes which are today much more positive. I think it is our duty and in our interest to review these evaluations and have them match the yield per are which, as I said earlier, has considerably increased in certain cases.

It is also regrettable that the increase in the number of insured people is not felt as desired. Many producers or farmers showed some concern about the viability or the security of such an insurance and we are aware that many of them are not protected because they refused to pay an insurance premium.

There are reasons that explain why the number of insured farmers has gone down. It might be time to seriously consider setting up a universal insurance policy. Of course, several reasons would warrant a certain education which would make the merits of an insurance evident to the farmer. This is absolutely necessary but, as I said, evaluations being out-of-date, the policy-holder's dissatisfaction with some results, often incited him to drop this insurance. It is unfortunate that, when damages occur like those we witnessed during the past months, producers should find themselves without insurance and without protection.

I think that we would benefit in devising an insurance that could be universal, recognized as such for any producer in Canada. The minister should pay special attention to this possibility, and I know that it would be advisable, once more, to discuss the establishment of such a policy with the provinces.

I should also like to point out to the minister the importance of having all the farm products protected and insured. Often, in some provinces, people complain when they see such or such products not being protected. Again, I know that this is a question often falling under provincial jurisdiction and, in that respect, I suggest to the minister that he meet with his opposite numbers in the provinces to set up an insurance program that would reach all producers of whatever commodity. I believe that it would be above all in the producers' interest to convince them that they should pay 50 per cent of the premium for the protection that the legislation could provide them, to the extent, once more, that it would amount to the expenses incurred.

I should also like to touch upon a point which caused many difficulties to the producers last year, that is the establishment of a more orderly insurance plan or a much more valuable guarantee than that now in existence against disasters. Last year, as other hon. members have pointed out, Quebec and Ontario experienced damages that result from disasters which put the farmer in a really difficult situation.

We do know the consequences of the disaster which occurred last summer, and we know also the regulations which have been set up. I know that an amount of $9 million has been distributed among 22,500 farmers, which meant $400 per farm. We are perfectly aware of the fact that many producers have lost a lot more, and in some cases, it amounted to thousands of dollars. Therefore, these $400 were welcome. No one could refuse $400, but we know as well that this way of compensating damages was very unfair, considering these loss differences on the evaluations that we should have done.

● (1700)

Is it possible to correct this situation through the implementation of a policy to provide for a compensation fund which would be available to producers affected by a disaster? I speak on behalf of all Canadian producers who would wish have the assurance of this government that they will have a fund at their disposal should a disaster occur, according to their losses, and I suggest that we should consider the fact whenever such a disaster occurs, that it is absolutely necessary to assess damages to the crops, which are nearly non-existent, in some cases. In such cases, the labour and warehouse costs for some products must be paid, which means additional losses, for various reasons.

All these aspects should be taken into account when assessing a loss due to a disaster, and I suggest that it is important that the minister consider seriously the establishment of such a fund that could be used to meet in a fairer and more equitable way all losses incurred, which would eliminate forever difficulties and insecurity for the producer. He is entitled, like any other citizen, to this security. It has been said time and again that it is thanks to unions that several thousands of people have a security they did not enjoy a few years ago.

The farmer has been neglected and he is always faced with insecurity. The crop insurance program insures part of the crops to the extent the farmer can unfortunately be misinformed, but it is not comprehensive. A universal program would perhaps be less expensive and would make it possible for farmers to have this security. I also know that farmers are always a little embarrassed to pay a premium on following autumn's crop. I wonder if the minister could not negotiate to a certain extent with companies so that they allow farmers to pay their insurance premiums at harvest time and I also wonder whether the insurance companies could not accept such a point of view, because if the crop is good, there will be no problem; the farmer will be able to pay his premium, if it was payable within six months. If there was no crop because of bad weather or for any other reason, the insurance company would pay. As the government already pays 50 per cent of this premium, the insurance company would not have to finance 100 per cent. It would be in a better position to finance the 50 per cent which make up the share of the farmer who would have to invest a lot until harvest.

I make these few remarks, Mr. Speaker, because these are subjects which I am occasionally reminded of, and because these are arguments that every farmer would like to explain personally to the minister.

So I am speaking on behalf of a group of farmers in my riding, who will be very happy to learn that I made these representations to the minister concerned.

Before concluding my comments I should like to say a few words about young farmers who may be more involved than many others while their role becomes increasingly important. The department should allow them to take over the family farm with much greater advantages.

I know that there is a farm loan program and I should like the minister to give a special attention to the possibility of exempting the young farmer from paying back the interests during the first five years of operation. That would enable him to benefit from the insurance premium referred to in the bill we are studying today—

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, although I acknowledge his interest for agriculture—undoubtedly a wide subject—and particularly for young farmers. Still, I should like him to advise the Chair how the point he is dealing with now and on which he seems prepared to speak at length relates to the bill which bears specifically on crop insurance.

I invite him to come back to the subject under study.

Mr. La Salle: Thank you, Mr. Speaker. I shall make a few remarks, as other hon. members before me have expressed rather general views on the importance of the farmer.

When I speak about benefits that we should make available to young farmers, I know that the minister is aware of the problem and anxious to help young farmers even more. As for me, I believe that they should be able to afford this insurance premium because this insurance is absolutely necessary for them. I think that would enable us to increase the number of those insured, for not only the government but all who are concerned with agriculture seem to be worried about how few farmers are taking advantage of this insurance.

I sincerely hope that these few remarks will enable the minister to understand my point of view. I shall end by repeating the requests I made on behalf of the farmers in my constituency, and I hope that the minister will take them into consideration. I add my voice to those other hon. members who intend not only to support this bill, but to ask the minister, insofar as is possible, to do more for our farmers, for that could only benefit the rest of the nation's economy.

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have but a few brief words, to draw the attention of the House to my point of view on Bill C-129.

I shall be short so that the government can pass another bill this evening, if possible. I think that Bill C-129 is certainly in the interest of farmers, and I congratulate the minister for having introduced it; it will give more money

to the provinces and enable them to provide farmers with a more adequate insurance program.

I should, however, like to ask the minister to introduce next year a bill to provide more adequate insurance for farmers.

I was an insurance salesman for some years, and sold crop insurance during the first two years of this program. I was greatly dissatisfied to see that when a farmer had suffered a loss, too large a proportion of his loss was not covered by the insurance.

I believe the act provides for 80 per cent loss coverage of volume and 80 per cent of value.

Thus, a farmer who should harvest 100 tons of hay does not get a penny if he harvests 80.

I suggest that is one of the main reasons why farmers, those of Quebec particularly, do not avail themselves of the Crop Insurance Act.

Any settlement for a loss starts off by deducting 20 per cent of the insured amount, and another 20 per cent for security coverage, as compared to the value of the crop. I consider this is very unfair to the producer unless the act is amended next year—the minister just told me he agrees with me—we will still have farmers not availing themselves of its provisions.

Mr. Speaker, insurance is designed to protect people liable to accidents. With regard to car insurance, that is right, but with regard to crop insurance, the government goes further than that. If the crop loss is predictable six, seven or eight months before hand, the farmer is not insurable, whether he pays premiums or not.

Therefore, the Crop Insurance Act does not operate the same way as ordinary insurance. An accident is something that cannot be foreseen, it is purely and simply an act of God. However, crop insurance goes much further. Crop incurance can be figured out up to one year beforehand, for instance, in the case of hay losses due to frost.

I think that crop insurance should also provide 100 per cent coverage when grain is destroyed by hail storms. At the present time, crop insurance covers only 60 per cent of such a loss, and only after the crop has been harvested or is ready for harvesting. This means that if on my 10 acres I have barley starting to ripen—barley falls readily when the wind blows—and then there is hail storm, I lose about 35 per cent of my crops, because I have to leave it there and wait for those inspectors to come. When they come, half the fallen grain has rotten on the ground and I am left with nothing.

I have paid premiums, I send for my broker, Mr. Léonel Beaudoin. I blame him but in fact he is not the one responsible, since the program does not cover the crop adequately against an actual loss and this is very detrimental to the producer.

These are the only remarks I have to make. I reiterate my congratulations to the minister and also to the government for having appointed a minister for Eastern Canada.

• (1710)

[*English*]

The Acting Speaker (Mr. Laniel): Order, please. Before I recognize the minister I wish to inform hon. members that if the minister speaks at this time, he will be closing the debate.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not intend to make my remarks lengthy. I just want to make a few comments on some of the things which have been said in the debate, and I wish to make it clear that PFAA is to be terminated. I would not want to build any false hopes for farm producers in western Canada who may think that that program would take the place of crop insurance. Crop insurance is still their best buy today. That is the best form of insurance to guard against total losses from which they may possibly suffer. Crop insurance sales for this year already have surpassed those for last year. In the provinces of Manitoba and Saskatchewan the authorities are putting out a real sales effort to increase coverage and to take advantage of our proposed legislation. They are counting on this legislation being passed.

I have been criticized for making all the speeches I have made across Canada, yet I doubt if there is one in which I did not mention crop insurance and ask for suggestions from farmers, farm leaders across this country and even from politicians. I wanted them to make suggestions as to how we could improve the crop insurance plan. One could compare what I have been doing with building a road. When you build a road, you first make a survey, then build the base, pave the road, and allow people to use it. That is what I tried to do with crop insurance. I wanted to make sure that this and other legislation will be beneficial to agricultural producers. I am sure they all realize that is what all those speeches I have been making were about. I wanted to ascertain from the farmers of Canada their views on our legislation. That is what I have been doing. I have been ascertaining farmers' views, and I think this course of action will pay dividends for agriculture in the long run.

I do not think there is much more that I can say. Let me say this to the hon. member for Assiniboia (Mr. Knight). I guess what I am about to suggest is not so old fashioned. We should pray a little for rain. That will not hurt us at all. We can also pray for good weather, because the whole world is counting on North American farmers, on North American cereal producers, to produce the food that the world needs this year. So, it will not hurt us one bit to pray for good weather. Let me end by saying, Mr. Speaker, Happy Easter.

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

* * *

JUDGES ACT

PROVISION OF ADDITIONAL JUDGES FOR CERTAIN COURTS

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-177, to amend the Judges Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I will make only a few remarks in view of the co-operative attitude of hon. members, which I

appreciate very much, and which will facilitate sending this bill to the committee.

The bill before us would authorize additional salaries for judicial positions involving 15 judges throughout the provinces of Canada and additional positions as well as salaries with respect to four judges in the case of the federal court. In view of the increase in the workload in the federal court, there is a requirement for these judges to be available in order to keep up with appeals which may reach that court and with applications which may reach it in connection with a variety of boards and tribunals.

With respect to the 15 judges throughout the provinces, the legislation matches the positions which have been created by provincial legislation. The positions have been created in accordance with the judgment of the various attorneys-general of the provinces, as confirmed by our own investigations with respect to requirements and needs.

In this bill we are adding an additional feature in the creation of a group of potential salaries that will be available for matching with future positions that may be created by the provinces. We want thereby to be in the position to move relatively expeditiously when it appears that there is a need for an additional judicial position as determined, as usual, by the judgment in the first instance of the provincial attorney-general, after which we can make the necessary appointment in order to expedite the handling of judicial matters which are so important to all our citizens.

The additional feature in the bill is an amendment to the supernumerary provisions which were introduced in the last amendment to the Judges Act. Here, we propose to recognize the desirability on occasion of making it possible for judges who have reached the age of 65 and who have served for at least 15 years in the court to move into the supernumerary category and thereby, although no longer being called on to assume a complete load of work, to be available still at the call of the chief justice to serve the court and, therefore, to further expedite justice. It seems, in view of the younger appointments which have been made, that it is appropriate to move the supernumerary provisions in that direction. We must recognize that, on occasion, judges who have reached that age may find it most desirable to remove themselves from the necessity to carry a full load. Under these provisions, however, they are still to be available to the court to do a portion of the work, as the chief justice may find suitable. I commend the bill to members and its study in committee for the facilitation of judicial causes throughout the country.

● (1720)

Some hon. Members: Hear, hear!

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, this is an example of allocation of time by consent, a consent that I am very glad to facilitate on behalf of our party.

As the minister said, the purpose is very simple, namely to add certain judicial positions and salaries to the federal, provincial and county courts. We are not discussing jurisdiction. If we had been, perhaps many of us would have wanted to speak at a little greater length.

[Mr. Lang.]

I think the minister agrees that some of the terminology now in the bill does not make very much sense in modern times. My own province of New Brunswick has to all intents and purposes abolished the word "county". I agree it is up to the provincial legislatures to make the changes to their statutes to accommodate this. However, I am always struck by the anomaly in contemporary times of having this divided jurisdiction, that is county or district judges and Supreme Court judges. I hope we will soon move to the position where there will be a supreme court or a superior court. As a matter of fact, I think this division goes back to the days when travel was difficult. It was a good idea to have an identifiable justice near the scene of litigation, so to speak. Nowadays, there is much more mobility and flexibility. Perhaps some of the problems would be overcome if we moved from the provincial courts straight to the supreme or superior court of the particular province.

I commend the minister for clause 10. I think it is an excellent idea. It will mean that the provinces will not be at the beck and call of this institution when they feel they need additional judges. Except for one or two days of emergency debate last September, we had the experience of not having a parliament from June to January and the minister vying with other ministers to get his legislation considered by parliament. This additional judge provision in clause 10 will give the minister and the provinces a needed flexibility. It is interesting that it has taken so long to think up what seems to me to be a rather sensible and simple proposal.

I hope the government, particularly the minister, will look at a bill standing in my name which discusses in statutory form the matter of judges taking on additional duties. I am in no way to be understood as commenting on the very special work being done by the Law Reform Commission. However, I have long felt that if governments could avoid making judges sort of whipping boys on rather difficult labour negotiations, conciliations, arbitrations and so on, the country and the independent judiciary would be better served. It has been a curious thing about our development of jurisprudence that we have always gone to the judges. We have the other place with very distinguished Senators and people in the academic community and many other walks of life who could fulfil this independent role that is so essential and at the same time move judges out of the hurly-burly of things that may have political overtones.

We will be glad to help move along the bill and will await its more deliberative discussion or examination in the committee.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I, too, will attempt to be as brief as possible. We support the bill. We wish to expedite its passage here today so that it can go to committee for a more detailed discussion.

We particularly welcome it because we know something about the backlog of trials that have accumulated, both in the federal courts and in the courts of the provinces. I checked the situation in my province of British Columbia today. If you set down a trial in the Supreme Court today, you are given a date in February, 1974. That assumes all the pleadings have been done to this point. With regard to divorces, in my city of New Westminster, no uncontested

divorces can be set down until the fall. That indicates the need for additional judges in this country. It certainly gives emphasis to the old saying about justice delayed is justice denied.

There are many methods that can be considered to facilitate the disposition of trials in this country. I am still concerned about the fact that court house facilities are not used during two months of the year. I realize this is not the responsibility of the Minister of Justice (Mr. Lang), but I am hopeful that he will urge upon his provincial counterparts consideration of the whole question of the use of facilities so we can get to the point where they are used year round. Holidays can be staggered. There would not be any problem for lawyers or judges.

I realize appointments are made upon recommendation from the provincial attorneys-general, but four new county court judges are being appointed in the province of British Columbia. Some time ago there was a move to abolish the county court in my province and have only a superior trial jurisdiction, a supreme court. That seemed to be eminently sensible.

When one examines the jurisdiction of a county court in British Columbia, he will find that it has a monetary jurisdiction of $3,000 on the civil side. However, on the criminal side, it is given the right to sentence a person to life imprisonment. I submit that is a very poor allocation of responsibility. Surely one court of trial jurisdiction, with one court dealing with small debts claims, would more expediciously serve the public's legal business. I also wish to comment on speeding up the process of file procedure. The provincial law reform commissions are all presently studying ways to improve procedure. I know the minister is interested in seeing that process sped along, because that would be another way to make improvements.

The mystical process of judicial appointments continues. I am hopeful that appointments will be made on a non-partisan basis. I hope that members, regardless of their political affiliation, are all being considered for appointment to the bench. I take some satisfaction from the fact there have been a few appointments from the New Democratic Party. I think there have been too few, but nevertheless, it seems to be a step in the right direction. It is an indication that the government is being a little more broad-minded on the subject than in the past.

I want to close with a comment made by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) this morning. He said the significant thing about this bill is at least the number of judges that will be appointed will reduce the number of judges in the country. As a lawyer, I say that facetiously. In any event, we hope the passage of this bill will be expedited.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

• (1730)

[*Translation*]

AERONAUTICS ACT

PROVISIONS OF SECURITY MEASURES AT AIRPORTS

Hon. Jean Marchand (Minister of Transport) moved that Bill C-128, to amend the Aeronautics Act, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, for the last few years, practices which are not only wrong but even criminal have developed especially in airports. What used to be a dangerous means of transportation in itself, because travelling in the air always involves the possibility of an accident, has become even more dangerous.

Today we know that certain groups or individuals use this means of transportation for illegal purposes, or in an attempt to get things that they cannot obtain otherwise. In other words, some groups, perhaps less in Canada than in Europe—but it will probably come to that in our country as well—resort to threats against passengers or aircraft crews in order to obtain either money or the discharge of prisoners, or for political purposes.

Highjackers usually threaten either the stewardess or the pilots and if they do not get what they are asking for, they of course threaten to blow up the aircraft or force it to make for another airport than that of destination. For a few years, these tactics have developed to such an extent that they represent a real danger.

A few months ago, Mr. Speaker, I had the opportunity of meeting not only the presidents of the big Canadian airline companies but with those of regional companies to see what could be done before Bill C-128, which is now before us, may be amended, so that we have authority to act in this area.

Now, Mr. Speaker, under the law, the only power that exists is that of the air carriers, the airlines, to refuse access to their planes to a passenger who has a ticket if this passenger will not agree to a certain check. The federal government, the RCMP, or any other agency that we could empower does not have the power to search people and their luggage, nor to prevent them from boarding a plane. The airlines alone, under a contract that appears on the reverse of the ticket—a contract written in print so small that hardly ½ per cent of Canadians manage to decipher it—reserve themselves the right to refuse a passenger, without conditions.

It is under that power of the companies, Mr. Speaker, that we can now search passengers. In Canada, at all major airports, as you know, there are security agents searching people and luggage to prevent anybody from coming aboard a plane with offensive weapons, whether it be firearms, knives or explosives.

Of course, that method is of rather limited efficiency and we would like to be in a position to systematize the searching of passengers by granting the strict right of searching people and luggage when there are reasonable grounds to believe that someone might be trying to come aboard and threaten to divert the plane or even threaten the lives of people aboard.

That is the purpose, Mr. Speaker, of Bill C-128. We now have an arrangement and it was agreed with the airlines that it would be temporary, that is to say that the companies expected that by the end of March we would be in a position to take the responsibility as a government, to search individuals and luggage when necessary at airports. We also want major airports to be protected physically, that is by fences, to prevent anybody from coming in either to threaten the lives of people and to board a plane to threaten the pilot or the passengers.

Bill C-128 is nothing new. That power is being given by the federal government. As to the way we proceed there are all sorts of complications, one of them being cost. Of course, airlines are not interested in paying for the wages of the security officers who must search people and luggage. We are studying how we may share these costs, and the experience of these last two or three months will probably show us how to distribute these costs between the federal government and airline companies.

Some people might fear that the federal government or its agencies may abuse this power. Of course, each time such a power is granted to the government, there is a danger of misuse but if we are asking for this power, it is for a reason. A very small number of Canadians are opposed to it. As far as I am concerned, I have never been informed that people object to being searched. Canadians know that we act this way not to impinge on their freedom, but to protect their fundamental freedom, their lives.

That is the reason of the search and we do not want to perpetuate the present system, because it is essentially temporary and has been voluntarily accepted by the airlines. At present, they defray the costs, but we think that under the Aeronautics Act, the federal government should have such powers.

The R.C.M.P. is training people especially to perform this work. Officers will thus be assigned to airports and they will try to prevent the persons I referred to earlier from boarding the aircraft. It is clear that they will not achieve 100 per cent success; perhaps other accidents will occur in the future, but what we are trying to do is to decrease their number so that Canadians or foreigners travelling aboard Canadian aircraft will enjoy maximum security.

Eventually, if this results in a certain amount of abuse, we know that we could use other democratic methods; the Parliament is in Ottawa, the members of Parliament and the government are still there. We will try to prevent any abuse if ever some occur. We are now giving special training to avoid harassment so that inconvenience does not result in provocation or an untolerable embarrassment for all passengers.

Mr. Speaker, that is the purpose of Bill C-128; we are only confirming what is done at the present time to maintain the procedure, but in a better way through specially trained agents.

● (1740)

[*English*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I think the minister would agree that there is still something pretty good about the fact that searches, no matter whether they are for our safety or for the safety of others, have to be by statute and not by government fiat or some sort of administrative decision. I think this is a very reassuring and comforting thing about this issue. Once again, though, we find ourselves in contemporary times really having to revert to the middle ages, and the highwayman of stagecoach days has become, if I can say so, the skywayman of the jet age.

Speaking personally, I am particularly glad that most of us being searched are still somewhat embarrassed by the whole procedure, still uncomfortable about it and still not sure whether to say please or thank you when the geiger-counter goes up and down various layers of largesse, speaking personally. I think this, too, is a healthy sign and I would hate to see the day when this embarrassment about the whole search process becomes somewhat institutionalized in our system with officials, rather than being embarrassed as they search, becoming officious and grim faced, with us just thinking this is one more routine procedure. I, for one, will never accept the fact that it is a routine procedure to be searched because I want to go from this parliament to my constituency, or some other Canadian or anybody else wants to go around the world on his private business or private occasion, to put it more eloquently or elegantly. I am glad, therefore, that the minister has to bring this issue before us in the form of a statute and that we have to debate it.

Some may think the line I have taken is on the philosophical side. I do not intend it to be. I rather think it is one of the ironies of our age that we have the technical ability to get from point "A" to point "B" rather quickly, but we have not yet found a way to do it safely because of the vagaries of other people in the world. Earlier, I raised the civil liberties matter, and whether the searchers might be persuaded, and perhaps that is not the right word, or fall into the trap of carrying out a sort of general fishing expedition. Really, what they are doing is insuring our safety; they are not vetting our reading material, and I hope they are not looking for other things. There are other methods that can be used by the police and law enforcement agencies.

This is an inconvenience about which we are all slightly embarrassed but that we accept, I suppose, with the rather selfish idea that the safety of many of us and our fellows is involved. Speaking personally, and I hope others would agree, I hope that we will always be nervous about it and slightly embarrassed, because when we take it as routine then I think we will have lost a very precious part of our liberty.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the Minister of Transport (Mr. Marchand) pointed out, just at a time when technicians seemed to have assured reasonable safety in the air, at least from a mechanical point of view, we find ourselves faced with this tragedy of air piracy and other threats to the lives of those who travel by air. The result is that some method does seem to be necessary to protect the safety of passengers and flight personnel, and on that basis we are prepared to agree to second reading of this bill so it can be referred to the appropriate standing committee.

I am particularly pleased that the hon. member for Fundy-Royal (Mr. Fairweather) made the statement he

has just given to the House. It is good to remind ourselves, as the hon. member said, that even for our own safety we cannot be searched or put to other forms of embarrassment without there being a legal basis for it. We understand that there is such a basis for the searches which are being made at the present time, but this legislation is to make it possible in respect of all passenger aircraft in Canada. It is also to provide the necessary legal basis for any costs that may be involved, if that becomes necessary.

Sir, the hon. member for Fundy-Royal has said what needed to be said on this occasion, and with that we would be quite happy to let this bill have second reading at this time.

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

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

On the order:

April 13, 1973—Second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-176, an Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act—the Minister of Justice.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Perhaps if I can spin it out my point will be met. We did agree to give the minister an opportunity to start this measure, but is there any point in starting it now?

Some hon. Members: No.

Mr. Knowles (Winnipeg North Centre): I have been waiting for 30 years to be speaking when the knock came on the door.

Mr. Bell: They will take you away one day, Stan.

Mr. Speaker: There is not unanimity.

* * *

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, may I just mention to the House while we are waiting that when we resume following the Easter adjournment we might consider on the first day the bill to which we were about to give second reading, wiretapping, to be followed by an act respecting wildlife, the fisheries development act and then CNR financing. These bills might ease the House gradually into the more controversial items that may be coming later.

Mr. Bell: Is there any word about corporate taxation?

Mr. Paproski: What makes you think we will be back after Easter?

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, His Excellency the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

● (1750)

And being returned:

Mr. Speaker informed the House that the Governor General had been pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-172, an act to amend the Customs Tariff—Chapter No. 10.

Bill C-130, an act to amend the Emergency Gold Mining Assistance Act—Chapter No. 11.

Bill C-171, an act to amend the Excise Tax Act—Chapter No. 12.

Bill C-3, an act to amend the Export Development Act—Chapter No. 13.

Bill C-170, an act to amend the statute law relating to income tax—Chapter No. 14.

Bill C-178, an act to amend the Public Service Staff Relations Act.—Chapter No. 15.

Mr. Speaker: May I remind hon. members that they are invited to call on the Speaker when we adjourn in a moment.

Pursuant to special order made on April 17, 1973, this House stands adjourned until Monday, May 7 at 2 p.m.

At six o'clock the House adjourned, without question put, pursuant to special order.

END OF VOLUME III